
COUNCIL MEETING AGENDA - 23 APRIL 2024

Vision:

Indigo Shire - leading sustainable growth, community and cultural diversity, and climate action.

TO BE HELD: Tuesday, 23 April 2024 at 6.30pm

LOCATION: Council Chambers, 2 Kurrajong Way, Beechworth, and livestreamed on Council's website

ATTENDEES:	NAME	TITLE
	Cr Sophie Price	Mayor
	Cr Bernard Gaffney	Deputy Mayor
	Cr Peter Croucher	Councillor
	Cr Sue Gold	Councillor
	Cr Roberta Horne	Councillor
	Cr Diane Shephard	Councillor
	Cr Emmerick Teissl	Councillor
	Trevor Ierino	Chief Executive Officer
	Nathan Mullane	Acting Director Infrastructure Services
	Greg Pinkerton	Director Planning & Corporate Services
	Sally Rice	Director Community & Economic Development
	Annabel Harding	Governance Coordinator
APOLOGIES:	Ian Ellett	Director Infrastructure Services

Council meetings are live streamed and recorded. The voices and images of those participating in the meeting, and in the gallery, may be captured as part of this recording.

Acknowledgement of Country

Indigo Shire Council acknowledges the original custodians of these lands. The people of the rivers and the hills have walked these lands for thousands of years as well as today, and we pay respect to the elders of the past and present.

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1. **WELCOME**
2. **ACKNOWLEDGEMENT OF THE TRADITIONAL OWNERS OF THE LAND**
3. **APOLOGIES AND LEAVE OF ABSENCE**
4. **DECLARATION OF CONFLICT OF INTEREST**
5. **OPEN FORUM**

Responses given by Councillors and Council Staff during Open Forum are the opinion of the individual responders, and accurate at the time of response, to the best of their knowledge.

6. **COMMUNITY AND COUNCIL ACHIEVEMENTS**
7. **CONDOLENCES**
8. **CONFIRMATION OF MINUTES FROM PREVIOUS MEETING(S)**

RECOMMENDATION

That the following Minutes be confirmed:

1. Minutes of the Council Meeting held on 26 March 2024, as published on Council's website;
and
2. Confidential Minutes of the Council Meeting held on 26 March 2024, as provided to Councillors under separate cover.

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9. BUSINESS ARISING FROM PREVIOUS MINUTES

Nil reports

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10. PETITIONS

Nil reports

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11. PLANNING & CORPORATE SERVICES

11.1 MARCH FINANCE REPORT

File No: 2024/270

Sharon Phillips - Acting Manager Finance

Planning & Corporate Services

For Information

RECOMMENDATION

That Council accepts the YTD March Finance Report noting the progress against Council's quarter 2 forecast.

PURPOSE OF REPORT

This finance report covers the year to date position for the first nine months of the 2023/24 financial year.

The following report shows Council's March position against the adopted Quarter 2 forecast, and provides an indication of Council's financial performance of the 2023/24 year.

BACKGROUND

Council reports financial and capital works performance each month. Every quarter this report is expanded to add more financial detail. The year to date figures contained within this report shows Council's YTD March position against the adopted Quarter 2 forecast, and provides an indication of Council's financial performance at this stage of the 2023/24 financial year.

DISCUSSION

YTD Financial Position

This is a major report for the 2023/24 financial year which provides Council the following reports and its financial position as at 31 March 2024 including comparison to Q2 forecast with regards to:

- Income Statement
- Treasury (cash management)
- Balance Sheet
- Borrowings Table
- Capital Works

The reported position to date is an overall net deficit of \$853k compared to a Q2 forecast of \$629k deficit. This is \$224k unfavourable to the year to date (YTD) Q2 forecast with the explanations of this favourability shown from Notes **1** through to **30**.

Notes **1** to **5** relates to the Income Statement (following) and detailed variances of +/- \$50k to the adopted YTD Quarter 2 forecast. Notes **6** to **28** (attached) show variances for individual services and explain variances of +/- \$10k.

In summary, there are a number of favourable and unfavourable variances are seen in individual account lines and service areas, however the primary reason for the overall \$224k deficit is \$237k of unbudgeted expenditure to repair storm damage at various locations across the shire. The cost of doing this work will be reimbursed by the state government and this temporary unfavourable position is a result of that timing variance.

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March 2024 - Income Statement								
Year to Date (YTD)								
Account Group	Note	YTD Actuals	YTD Quarter 2 Forecast	YTD variance \$	YTD variance %	2023/24 Annual Budget	2023/24 Quarter 2 Forecast	2022-2023 YTD Actuals
Income								
Contributions - developer		67,000	67,000	0	0%	31,213	80,321	23,500
Contributions - operating		126,974	127,090	(116)	(0%)	37,083	128,608	51,302
Operating grants	1	3,237,559	3,062,542	175,017	6%	7,067,189	5,098,746	3,860,268
Interest income		414,838	415,112	(274)	(0%)	590,200	547,216	307,894
Other revenue		1,690,582	1,683,458	7,125	0%	2,463,677	2,512,918	1,506,125
Rates & charges		19,710,966	19,711,060	(94)	(0%)	19,710,441	19,749,353	18,793,374
Reimbursements		129,291	113,300	15,991	14%	71,916	137,246	270,095
Statutory fees & fines		905,255	857,732	47,523	6%	1,312,326	1,261,511	790,274
User charges		2,344,527	2,343,359	1,168	0%	4,545,841	3,554,949	3,144,255
Total income		28,626,993	28,380,653	246,340	1%	35,829,886	33,070,868	28,747,088
Expense								
Borrowing costs		25,805	25,400	(404)	(2%)	31,079	31,769	38,170
Contract payments	2	6,575,863	6,232,462	(343,401)	(6%)	7,399,223	10,122,013	4,991,987
Depreciation		5,219,318	5,211,628	(7,690)	(0%)	7,579,686	6,953,280	5,713,847
Employee costs	3	10,233,037	10,446,493	213,456	2%	14,602,772	14,605,442	9,548,512
Materials & consumables	4	4,049,217	3,840,890	(208,327)	(5%)	5,491,840	5,120,858	4,282,050
Other expenses	5	2,970,393	2,852,315	(118,077)	(4%)	3,271,032	3,614,946	2,752,015
Utilities		406,395	400,183	(6,212)	(2%)	623,060	567,266	387,331
Total expense		29,480,027	29,009,371	(470,656)	(2%)	38,998,692	41,015,574	27,713,912
Surplus / (deficit)*		(853,034)	(628,718)	(224,316)	(36%)	(3,168,806)	(7,944,706)	1,033,176
* For both actual and budget a positive net result means a favourable contribution to Council, which is referred to as a surplus and a negative net result means a unfavourable contribution to Council, which is referred to as a deficit.								
(Red variance) is unfavourable								
Black variance is favourable								

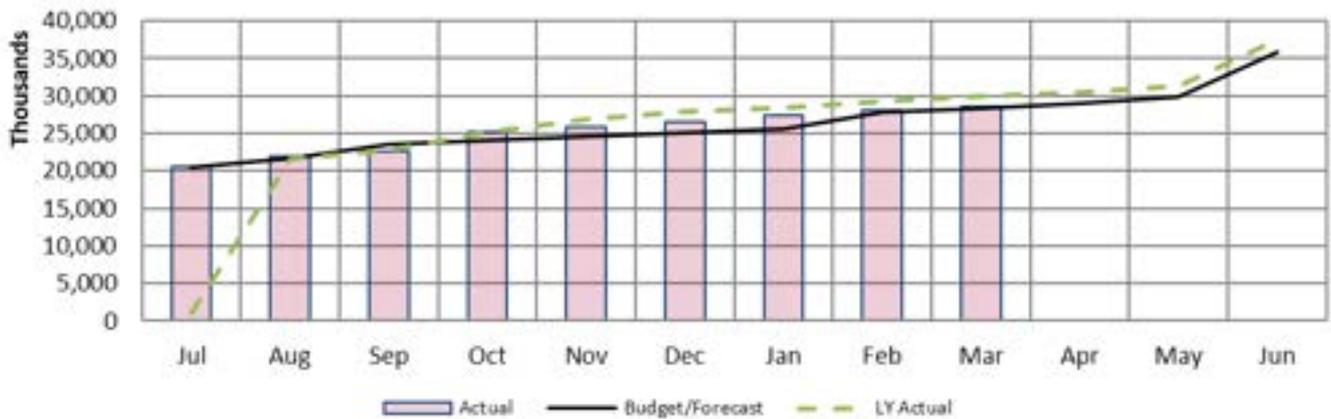
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NOTE NO.	Explanation - Income
1	<p>Operating Grants</p> <p>YTD favourable variance of \$175k is a combination of;</p> <ul style="list-style-type: none"> • \$65k – State Library funding to be transferred to Capital Works for the purchase or book stock • \$60k – Customer Experience – Additional unbudgeted funding for the COVID RATS Program – matched by expenditure • \$20k - Youth Services unbudgeted funding for the ‘Iengage’ program • \$15k – Environmental Health Services – additional funding for the Mosquito Monitoring project • \$15k – Other minor grants across different service areas
	Explanation - Expenditure
2	<p>Contract payments</p> <p>YTD unfavourable variance of \$343k is due to:</p> <ul style="list-style-type: none"> • \$237k relating to the January Natural Disaster Floor event, with the costs to be recovered when complete this creates a temporary timing variance for Council that is unbudgeted • \$32k – Timing compared to forecast of Bogong Group Bushfire Resilience Solar project • \$32k – Grant funded expenditure for the Heritage Assessment Study • \$23k – in Building Control Services for the provision of contract staff • \$13k additional costs for online training • \$6k – other minor costs
3	<p>Employee costs</p> <p>YTD favourable variance of \$213k is due to staff vacancies which is expected to reduce as we continue to fill these roles</p>
4	<p>Materials & Consumables</p> <p>YTD unfavourable variance of \$208k is due to;</p> <ul style="list-style-type: none"> • \$66k – Unbudgeted costs related to the COVID Rats Program which is fully funded and should be read in conjunction with the grant income above • \$56k – additional expenditure across Information Technology (IT) due to increase in licensing costs • \$19k - Plant and equipment running costs • \$16.5k – unbudgeted costs in People & Culture for employee training and wellbeing & insurance costs in Risk Management • \$8k - Grant funded expenditure for the Heritage Assessment Study • \$42k – all related to timing of expenditure when compared to forecast. This is across multiple areas and insignificant if reported separately but combined note worthy

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5	<p>Other expenses</p> <p>YTD unfavourable variance of \$118k consists of;</p> <ul style="list-style-type: none"> • \$67k – of Internal and External plant hire costs Infrastructure Services relating to Roads & Bridge maintenance, Tree services and Drainage • \$29k – Increased recruitment costs across the organisation as we advertise to fill the vacant positions • \$24k – Internal Audit Fees when compared to forecast
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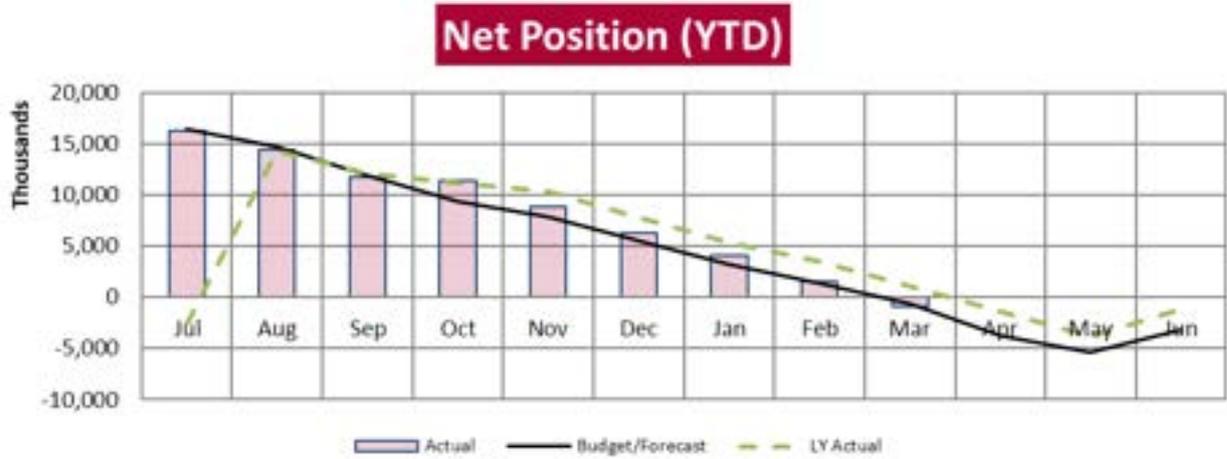
Income (YTD)



Expense (YTD)



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Balance Sheet - 31 March 2024

Current Assets

Cash	1,143,055
Current Debtors/Receivables	8,615,301
Inventories	377,756
Investments	4,552,322
Other Current Assets	572
Total Current Assets	14,689,005

Non Current Assets

Non Current Debtors/Receivables	13,400
Property Plant & Equipment	13,440,692
Land & Buildings	99,744,469
Roads, Bridges & Culverts	187,426,954
Works in Progress	7,126,514
Total Non Current Assets	307,752,029

Total Assets	322,441,035
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Current Liabilities

Borrowings - Current	(104,425)
Creditors	(2,926,365)
Provisions - Current	(2,752,664)
Trust Deposits	(247,585)
Total Current Liabilities	(6,031,039)

Non Current Liabilities

Borrowings - Non Current	(1,004,570)
Provisions - Non Current	(5,029,635)
Trust Deposits	(308,616)
Total Non Current Liabilities	(6,342,822)

Total Liabilities	(12,373,861)
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Net Assets	310,067,174
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Equity

Accumulated Surplus	(153,746,138)
Reserves	(156,321,036)
Total Equity	(310,067,174)

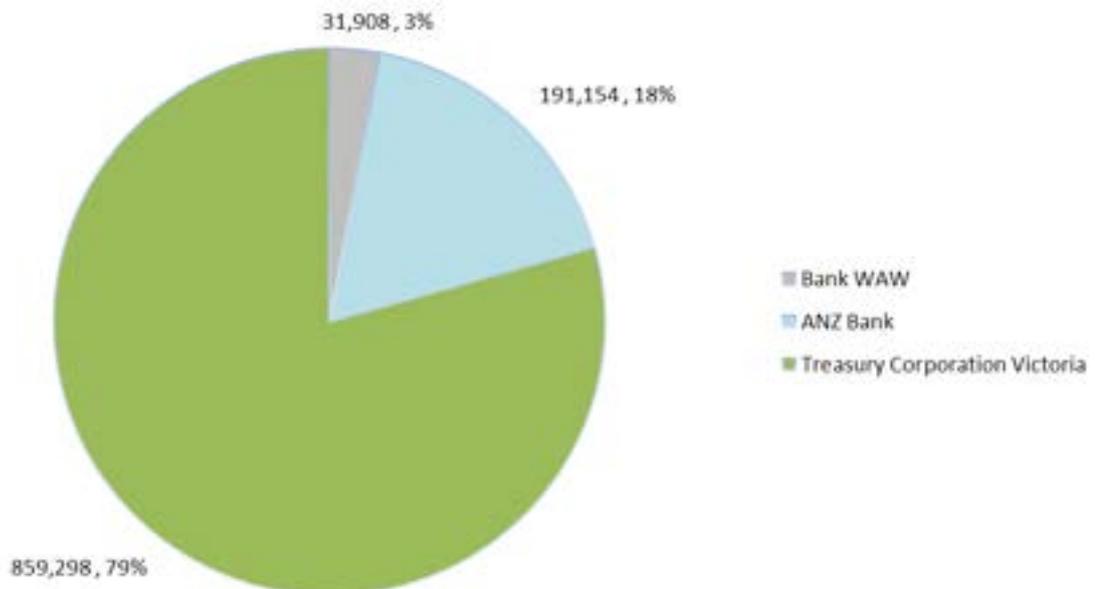
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BORROWINGS

Below is a summary of all Council’s borrowings. The table shows original loans borrowed, term of loans, rates and maturity with outstanding balances at the end of March 2024 of \$1,082,360

Indigo Shire Council - Borrowing Report as at 31 March 2024						
Bank	Term - Years	Rate %	Date of Maturity	Original loan amount		Balance owed
WAW	10	5.25	28/06/2024	1,000,000		31,908
ANZ	10	3.78	29/04/2025	1,500,000		191,154
TCV	10	2.08	27/06/2032	1,000,000		859,298
Total of All Borrowings				3,500,000		1,082,360

Borrowings as at 31 March 2024



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Treasury

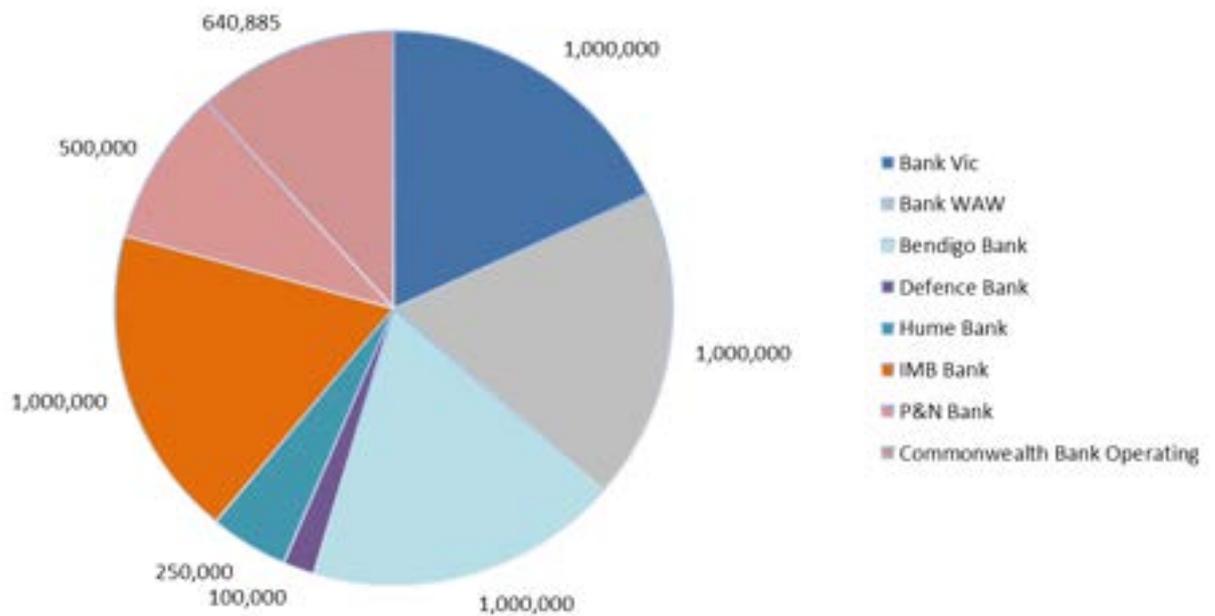
Cash Position

Council's Cash and investment holdings total \$5.49m as of 31 arch 2024

Cash at Bank	640,885
Term deposit under 90 days	4,850,000
Term deposit over 90 days	-
Total	5,490,885

The average current interest rate o the term-deposits held is 4.47% (*this excludes the operating account*)

Cash & Investments as at 31 March 2024



Capital Works

The combined YTD project expenditure as at the end of March 2024, across both the Capital Works and Non ISC asset project areas totals \$8,294,918m This total is comprised of \$7,139,108 in capital projects and \$1,155,810 against Non ISC assets. This represents 61.1% of the capital works budgeted program

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Summary Capital Works Income & Expenditure			
As at 31 March 2024			
	Income	Expenditure	Adopted Capital Quarter 2 Forecast 2023-24
Property			
Land	-	-	5000
Land improvements	-	-	50000
Total land	-	-	55,000
Buildings	533,753	638,199	643,147
Heritage buildings	79	552,787	845,513
Total buildings	612,863	1,190,986	1,488,660
Total property	612,863	1,190,986	1,543,660
Plant and equipment			
Plant, machinery and equipment	79,146	693,968	925,589
Fixtures, fittings and furniture		60,783	139,925
Computers and telecommunications		83,276	415,000
Library books	7,448	47,849	87,000
Total plant and equipment	86,594	885,876	1,567,514
Infrastructure			
Roads	698,067	1,681,041	2,567,471
Bridges		118,262	273,180
Footpaths and cycleways	209,782	1,871,046	2,659,097
Drainage	-	258,621	535,537
Recreational, leisure and community facilities	847,069	984,564	2,302,436
Parks, open space and streetscapes	64,483	148,712	233,826
Total infrastructure	1,819,401	5,062,246	8,571,547
Total Capital Works	2,518,858	7,139,108	11,682,721
Summary NON ISC Income & Expenditure			
As at 31 March 2024			
	Income	Expenditure	Adopted Capital Quarter 2 Forecast 2023-24
Kergunyah Hall	285,173	377,988	350,000
Kiewa Memorial Park		7,537	-
Chiltern Recreation Reserve	2,500	75	75
Butson Park Football oval		201	201
Barnawartha Netball/Tennis Courts	424,509	703,111	719,698
Yackandandah Golf Club Facility	223,285	17,369	20,000
Carlyle Drainage Works			45,000
Barnawartha Cricket Nets	15,000	43,688	45,000
Barkly Park Upgrade Female Change Room		5,839	10,000
Total Projects	950,467	1,155,808	1,189,974
Total NON ISC Owned Assets	950,467	1,155,808	1,189,974
*** The above statement of Capital Works & NON ISC Owned Assets should be read in conjunction with the Capital Works Monitor***			

A more detailed commentary on capital works and non-Council expenditure is provided in the capital report later in the Council meeting agenda.

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STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	5. Accountability
Strategic Objective	5.1 Our financial management is sound, responsible and effective.

Not applicable.

SOCIAL/COMMUNITY IMPLICATIONS

This report provides details of Council’s performance across a range of services, works and programs that support and enhance the wellbeing of residents and visitors to Indigo Shire.

ENVIRONMENTAL IMPLICATIONS

In May 2017 Council adopted the following resolution.

That Council:

1. *divests its investments (when they become due) to financial institutions that do not invest in the fossil fuel industry;*
2. *divests future long-term borrowings when they fall due, to financial institutions that do not invest in the fossil fuel industry;*
3. *notes that Council will retain the current (non-divested) transactional banking provider at this time, however Council will advise this bank the intention to move to a divested provider in the future if they continue to support the fossil fuel industry; and*
4. *writes to Council’s current banking providers to advise them of Council’s stance on fossil-free financial institutions*

In accordance with this resolution, all investments are held with financial institutions that have divested their interests away from fossil fuel companies.

Transactional banking has not been reassessed since the resolution and remains with a non-divested bank.

FINANCIAL IMPLICATIONS

Addressed throughout the report.

LEGISLATIVE IMPLICATIONS

The Local Government Act requires Council to report financial information quarterly. Indigo Shire Council report financials on a monthly basis, as well as a more comprehensive Report at completion of each quarter.

All financial reporting is compliant with the Australian Accounting Standards and audited annually by the Victorian Auditor General Office.

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RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
Poor performance against budget/forecast	Possible	Moderate	Medium	Regular monitoring and reporting of financial position
COVID-19 pandemic economic impact exceeds forecast	Possible	Major	High	Regular monitoring and reporting of financial position against budget

The current pandemic does provide uncertainty therefore regular reporting and monitoring is critical in identifying any impacts.

COMMUNITY ENGAGEMENT

Engagement undertaken

Nil

Engagement outcomes

Nil

Engagement proposed

Nil

CONCLUSION

In summary, at the end of March the bottom line financial position is unfavourable to the Quarter 2 forecast by \$224k. There are a number of favourable and unfavourable variances are seen in individual account lines and service areas, however the primary reason for the overall deficit is \$237k of unbudgeted expenditure to repair storm damage at various locations across the shire. The cost of doing this work will be reimbursed by the state government and this temporary unfavourable position is a result of that timing variance.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Greg Pinkerton – Director Planning and Corporate Services
- Sharon Phillips – Acting Manager Finance

Attachments

1. [Service Plan Statement - March 2024](#)
2. [March Exception report](#)

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11.2 DRAFT REVENUE AND RATING STRATEGY

File No: 2024/266

Greg Pinkerton - Director Planning & Corporate Services Planning & Corporate Services

For Decision

RECOMMENDATION

That Council;

1. Thanks the community for its input into the revenue and rating survey;
2. Thanks the community working group for its careful consideration and active participation; and
3. Endorses the attached *Draft Revenue and Rating Strategy (2024)* for the purpose of public exhibition until 28 June 2024.

PURPOSE OF REPORT

The purpose of this report is to present the attached *Draft Revenue and Rating Strategy (2024)* for public exhibition.

BACKGROUND

Council's Revenue and rating Strategy is due for a refresh and work has been done previously to gather the community input, and consider options through a community working group. The result of this work is the attached draft that is ready to proceed to community exhibition before returning to Council for adoption.

DISCUSSION

In producing the attached draft document, Council's management has considered a number of stakeholder inputs including the deliberations of a community working group that considered Council's Revenue and rating Strategy and Hardship Policy, as well as reviewing the results of a community survey that provided guidance on community perspectives on these documents.

In addition to the community consultation, the project also considered State Government guidelines, better practice and legislative changes, including the Victorian Government's 2020 Rating Review as well as the Local Government Legislation Amendment (Rating and Other Matters) Bill 2022.

In regard to waste charges, the attached draft considers the *Local Government Service Rates and Charges, Minister's Good Practice Guidelines for their use* (December 2023) as well as the subsequent clarification letter from The Hon. Melissa Horne MP, Minister for Local Government (March 2024).

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A community working group reviewed a number of different options and rates settings. This included looking at all of the differential categories, the property descriptions and percentages, as well as a number of other variables such as the Municipal Charge. The result of this intensive work was the conclusion that the majority of Council’s rates settings are still considered to be appropriate and should continue. There were, however, a couple of changes to the strategy that the working group felt was worthy of suggesting to Council. The community working group summarised their work in a number of statements that are attached to this report.

The discussions of the working group centred around the rating differential categories and percentages. For reference, the current rating strategy has the following differential categories and percentages.

General	100%
Residential vacant	200%
Rural 1 – 40 ha or greater	75%
Rural 2 – 2 ha or greater, but less than 40 ha	90%
Commercial / Industrial	135%

As a result of the consultation, benchmarking, and review of state government guidance there have been a number of changes proposed in the attached Draft Revenue and Rating Strategy. The remainder of this section focusses on the proposed changes and key points in implementing the changes.

Increase to the size of the Rural 1 differential category from 40 ha to 50 ha

One of the outcomes of the community working group is the recommendation to increase the size of property that qualifies automatically for the “Rural 1” differential. Currently this is set at 40 ha and aligns with the ‘dwelling as a right’ property size used in land use planning. At the core of these two reference sources (in the Rating Strategy and the Planning Scheme) is the fundamental question of “What characteristics indicate that a property should be treated as a farm?”.

The reference group suggested that the current setting of 40 ha did not guarantee that a property was a farm, and that there are many properties that are 40 ha that are not used for primary production. This seems to be supported by a large number of planning applications to divide larger farms into 40 ha lots that are then used for ‘rural living’ rather than productive farming practices.

The working suggested that the proliferation of rural blocks that were only slightly above the 40 ha minimum (and being used for rural living) should not benefit from an automatic categorisation as a farm. Several alternatives were discussed (including doubling the automatic qualification from 40 ha to 80 ha) with the group settling on a recommendation of increasing it to 50 ha.

The Strategy contains a recognition that ‘single farming enterprises’ (farms that are made up of multiple smaller parcels) that exceed the proposed Rural 1 threshold of 50 HA would automatically receive the Rural 1 differential and not need to validate their farming credentials for any conjoined parcels under 50 HA.

The working group discussion indicated that there is likely to be a community appetite to further increase this threshold in the future. Council Management agrees that this is an area that should be re-checked at each rating strategy refresh.

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Management is supportive of this recommendation and has made this change in the attached draft strategy. There are some important considerations in making this change that give confidence in making this recommendation:

1. The “validation of farming” (detailed below) is an important safety net for farming properties between 40 ha and 50 ha that may be impacted by this change. This provides confidence to increase the Rural 1 property size without concern for primary producers.
2. The transition arrangements for properties that are in between 40 ha and 50 ha (and that do not meet the criteria for “validation of farming”) are important. The re-categorising of these properties from Rural 1 to Rural 2 will result in an increase of their variable rates by 20%. It is therefore important to ensure that adequate notice is given and that there is ample opportunity for property owners to apply for the primary production rate.

The final consideration in this topic is the possible anomaly of a property that is greater than 50 ha that is not being used for primary production (e.g. a 60 ha lifestyle property). It is acknowledged that this is a possibility that would be in contrast to the intent of the Rural 1 category, however;

1. It is suggested that this would be an exception to the rule due to the size of the property and the impracticalities of maintaining a large rural property without engaging in some form of farming practice, and;
2. As rural property size grows, so too does the service-level argument (i.e. people who live in remote areas do not benefit from Council services in the same way as others). Whilst this argument has been considered and dismissed for smaller properties, large properties have a more arguable case. Therefore, the inclusion of properties larger than 50 ha into the Rural 1 differential has some additional arguments.
3. Council strongly supports farming and is concerned with the preservation of large properties that are viable farms. The inclusion of a large property into the Rural 1 differential is an incentive for property owners to keep property sizes large, even if they are not currently being used for primary production.

Validation of farming

In parallel to the recommendation to increase the automatic Rural 1 categorisation from 40 ha to 50 ha is consideration of rural properties (smaller than 50 ha) that are genuine primary producers (distinct from rural lifestyle blocks). With the favourable farming conditions that exist in some parts of the shire it is entirely possible for a farm to be viable on a footprint that is under 50 ha. The principle of horizontal equity prompts consideration about whether a mechanism should be introduced to recognise genuine farms that are smaller than 50 ha, and include them in the Rural 1 differential.

The community working group supported this with the recommendation to *“Allow the farming rate for properties that are above 2 ha that can demonstrate that the primary purpose of the property is farming”*. At the conclusion of the working group the criteria for doing this was not clear, however the principle was clear and the working group set the challenge for Council to investigate this and assess if it was viable.

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The attached strategy proposes that the mechanism for assessing farming properties less than 50 ha as;

1. Properties greater than 2 ha, and;
2. Categorised by the Valuer General's office as being a farm (through the use of the AVPCC codes), and;
3. Used mainly for the purposes of primary production, and;
4. Operated by an entity that has been assessed by the Australian Taxation Office as being a primary producer.

Each of these will now be explained in more detail.

First: Properties that are greater than 2 ha.

It is assumed as part of this strategy that farming is not viable on lots that are smaller than 2 ha. Whilst this property size threshold is somewhat arbitrary, it does align with other councils rating strategies, and was supported by the community working group.

Properties greater than 50 ha will be automatically captured under the rules for Rural 1 and therefore the 'validation of farming' inclusion in the attached strategy relates only to properties from 2 ha to 50 ha.

Second, the property is categorised by the Valuer General's office as being a farm.

The Valuer General's Office manages the annual property valuations for Victorian councils and this involves the allocation of a property code that describes the type of property. These codes are known as AVPCC codes and this classification includes several versions of farming.

The designation of these codes is determined by guidelines from the Valuer General and this is assessed independently of council. It is therefore appropriate to use these codes as one of the criteria for deciding if a property is a genuine farming enterprise.

Third, the property is being mainly used for primary production.

This criteria has been included to ensure that the main use of the property is farming. It is possible that a property may meet the other criteria but be used mainly for an alternative use (such as a wedding venue). The attached strategy does not consider that this sort of business is appropriate for the Rural 1 differential and therefore it is appropriate to include a way of excluding these property types (despite it meeting the other criteria).

Finally, the property is operated by an entity that has been assessed by the ATO and being a primary producer.

The ATO has significant experience in determining if an entity is engaged in primary production.

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The ATO website provides the following summary:

A primary producer is an individual, trust or company carrying on a primary production business, alone or in partnership. You are a primary producer if you carry on a business undertaking:

- *plant or animal cultivation (or both)*
- *fishing or pearling (or both)*
- *tree farming or felling (or both)*

You need to consider various indicators before you decide if an activity is a business of primary production. Taxation Ruling TR 97/11 Income tax: am I carrying on a business of primary production? gives a comprehensive explanation of the relevant indicators together with examples of the application of the indicators.

You are not operating a business if the activity is better described as a hobby, a form of recreation or a sporting activity.

To further expand on this the ATO had published a Taxation Ruling (TR 97/11) to assist with understanding the rule. A copy of this ruling is attached.

In deciding if a property meets the ATO ruling the following evidence will be considered appropriate;

- an ATO Private Ruling against the TR 97/11 criteria, or;
- An accountant's statement confirming compliance with this ATO ruling, or;
- A statutory declaration saying that the operation is treated by the ATO as a primary producer, or;
- A copy of a taxation return showing the ATO acceptance of primary producer status.

Because this rule applies to the operation of the land (rather than the land description) it is appropriate to review the rating differential following a transfer of land (through sale or other means of transfer). Therefore, the attached strategy contains a review point following any transfer of ownership. To allow for appropriate time to provide the required information (particularly the ATO criterion), this review includes a significant lead time before the differential category would be adjusted. The rates team would communicate with the new owner and make them aware that they now own a parcel of land that had previously been designated as a farming enterprise and will revert to a rural lifestyle differential unless they are able to verify the validity of their farming practices.

Council will allow for a minimum of three months for the new owner to demonstrate primary production status. If three months is not possible, or the timeframe is deemed by Council to be inadequate for the particular circumstances, then the rating differential will remain at the Rural 1 75%, and the decision will be held over to the following financial year.

Transition arrangements

It is important to include some discussion about the transition arrangements for the changes proposed in this strategy. In order for council to have consistency of rates the transition must be appropriately handled. Retrospective application of primary production decisions would reduce council rates income and put service delivery at risk. Therefore, it is vital that any Rural 1 decision relating to small farms (2 ha to 50 ha) are finalised prior to the striking of the rates. Any assessments that happen later cannot then be applied in the current rates year without reducing Council's rates income – and therefore will be held until the following year.

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The transition to the new rates strategy should be done with a long lead time to allow for small farms to be adequately notified, and give them time to complete the Rural 1 application process. For this reason, it is proposed that the new strategy be implemented from the 25/26 financial year.

In addition to the small farm change there are a number of current Rural 1 properties that will not meet the new >50 ha rule, and will transition to the Rural 2 differential. This will involve an increase of the differential rate from 75% to 90%. It is appropriate to allow for some transition time for these properties.

Between adoption of the strategy and its 2025/26 commencement Council will;

- Publicise the new strategy through its usual channels.
- Write to all ratepayers that will be impacted by the changes (properties between 40 ha and 50 ha) to explain the changes and provide information on the primary producer rules.

It is anticipated that the initial changes to the rural differential rules will prompt a large amount of administrative work to set up the first year. Following that, the workload will decrease.

At the time of this report being prepared there are 276 properties in the Rural 1 differential that are between 40 ha and 50 ha. These properties have a special interest in this proposed change and for some of these ratepayers their rates will increase as a result of this strategy. These properties will be sent a copy of this report and the draft strategy as part of the public exhibition.

State Government consideration of valuation averaging mechanism

Whilst not part of this strategy update it is notable that the State Government is currently considering the introduction of a valuation averaging mechanism for council rates. The Discussion Paper for this proposal summarises the considerations in the following way:

Local government rates in Victoria are based on the most recent property valuations undertaken by the Victorian Valuer-General. Valuations have been undertaken annually in Victoria since 2018. Every ratepayer receives their property's new valuation as part of their rate notice and the valuation may be appealed.

A recommendation of the 2020 Local Government Rating System Review was to consider the merits of a valuation averaging mechanism for local government rates. This was to address circumstances when a large movement in individual property values led to large changes in rates – making it difficult for some ratepayers to plan accordingly. An optional valuation averaging system for rates applies in Queensland.

The introduction of a range of different types of Valuation Averaging Mechanisms (VAM) into the Victorian rating system will not directly result in an equivalent change in rates and charges for all ratepayers, and many of the scenarios presented – all based on valuation and rating data from a deidentified Victorian council – will result in an increase in rates for many properties even when an averaged valuation of multiple years is lower than the current year. The impacts on rates of a VAM are highly diffused and would affect individual properties unevenly.

The levying of rates and charges with a VAM becomes highly complicated by councils levying rates via differential rates and/or a municipal charge (used by a majority of councils) as opposed to a simple uniform rate. Where councils alter the calculation of rates and charges through differential rates in the dollar and fixed charges, the effect of the VAM is further dissipated.

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The complexities of a VAM are further increased by the requirement for supplementary valuations, along with the administrative complexities for councils and considerations for equity. Finally, the contents of a rate notice may become highly confusing for many ratepayers with the addition of a VAM which will apply to some, but not all of the rates, levies and charges currently displayed on a rate notice. To conclude, the potential benefits of a VAM are diffused and limited, whereas there are many complications and downsides. Moreover, the existing rating tools available to councils allow for targeted ways to address challenges resulting from large year to year movements in property values.

If appropriately implemented and simple to use/understand this would be a step forward in the State Government’s rating legislation and provide benefit to property owners experiencing rapid increases in property values (as has been seen in Indigo Shire in recent years). It is noted that the flip-side to this is that all other ratepayers would subsidise properties that were being managed under an averaging arrangement. This seems reasonable because:

1. The impact on the other ratepayers is likely to be small due to the relative number of total properties, and;
2. History shows that valuation jumps happen in all valuation classes over the course of time. Therefore, whilst some properties will be subsidising others impacted in some years, this will be repaid in other years when values shift in a different way.

Options

There are many different permutations of the differential rating settings that can be adopted by a Council and the variances between Victorian Councils demonstrates that there is significant customisation of the rates to match local conditions and strategic directions.

Some of the more likely options that Council may consider are;

- Retain the current rates settings (i.e. no change).
- Reject the suggestion of increasing the Rural 1 size to 50 ha and keep it at 40 ha. This keeps the status quo for farmers currently receiving the 75% differential. Alternatively, this transition could be phased over several years to spread the adjustment out. It is notable that a phased approach would be technically complex and may slightly increase Council’s administrative cost during this phasing period.
- Reduce the Rural 2 differential to a lower percentage. The current 90% differential is more closely aligned to the general residential rate than the 75% Rural 1 rate. One option would be to lower this and provide greater benefit to large properties – and shift the cost toward other ratepayers (mainly general residents).
- Some other adjustment to the other differentials, Municipal Charge, etc.

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	5. Accountability
Strategic Objective	5.1 Our financial management is sound, responsible and effective.
Strategic Action	5.1.1 Review Council’s Revenue and Rating strategy

This action is part of the current Council Plan, and the adoption of this strategy will acquit this action.

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SOCIAL/COMMUNITY IMPLICATIONS

The setting of rates is an important part of Council’s responsibilities and the method of distributing the rates across the different property types is a key consideration.

Council does not seek to use rates policy as a means of achieving social outcomes, and instead has based this work on the rating principles outlined in the state government’s guidance, better practice and ministerial directions.

ENVIRONMENTAL IMPLICATIONS

As part of the deliberations leading to this rating strategy the community working group and council staff considered options such as a reduced rate for Trust for Nature (TfN) properties (i.e. properties with legal controls in place to protect vegetation and allow the land to return to a natural state). It is recommended that no further subsidy be made for these properties because the valuation of these properties will be lower (due to the TfN controls) and therefore this market pricing mechanism will produce lower rates.

FINANCIAL IMPLICATIONS

The distribution of the rates burden changes the relative weighting of the rates. In this way, and increase to one group of properties is balanced by increases to other properties. The total rates income to Council does not change.

The introduction of some of these changes – particularly the primary producer designation – will require administrative cost that is currently un-budgeted. This will be managed through Council’s usual mechanisms.

LEGISLATIVE IMPLICATIONS

The recommendations made in this Rating Strategy update are in accordance with the Local Government Act rules as well as being aligned to the state government guidance on rating policy.

RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
Adverse reaction to the changes proposed in this strategy update	Likely	Minor	Low	Explanation of reasons for changes, extensive community process

The most notable risk related to the adoption of the strategy is that of adverse community reaction from the ratepayers impacted by some of these changes (particularly the property owners in the 40 to 50 ha property size who are not able to prove primary producer status). For these rural residential ratepayers their differential will increase from 75% to 90% (a 20% increase in the variable component of their rates). This increase and is likely to be unwelcome by these ratepayers.

Council will communicate the reasons for this change and provide information and support for property owners who may meet the primary producer status.

The increase for these large rural lifestyle blocks will be offset by a benefit to all other ratepayers, however the value of this benefit will be small (because it is spread over thousands of properties).

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COMMUNITY ENGAGEMENT

Engagement undertaken

This strategy is the result of a significant amount of research as well as engagement with the community though;

- A community survey; and
- A community working group.

Engagement outcomes

The community survey received 71 responses and the attachments show the feedback received. This was used to inform the working group content.

The working group met regularly for several sessions and went through a number of aspects of the rating system. The group explored a number of relevant topics and discussed options for changes to the rating system. The group was engaged, and actively participated in the discussion. Councillors attended to observe the process and monitor the discussion.

The working group held a number of different views; however, a set of statements were produced that summarised the key outcomes and recommendations from this group. This outcomes statement is attached to the report and is an important consideration in the recommendations being made in this updated strategy.

Engagement proposed

Subject to Council's endorsement at this meeting the draft will be placed on exhibition until Friday 28 June 2024. This will allow a time for the community to make any submissions. In addition, Council will write to all owners of properties in the Rural 1 differential category where the property size is between 40 ha and 50 ha. These property owners are particularly relevant to the proposed changes and some of these ratepayers will have an increase in rates under the new rating strategy.

Any submissions will then be reviewed and, if considered appropriate, changes will be made to the draft document before being brought back to Council for a final decision. It is proposed that the updated strategy would commence from the 2025/26 financial year – giving a full year for people to adjust and (where appropriate) make application for primary producer status.

CONCLUSION

Any update to the revenue and rating settings that a Council uses is a challenging process. The very nature of the system means that one ratepayer's gain is a cost to another, and a balance must be struck between the competing needs.

Indigo Shire's rating settings are not dissimilar to other rural Councils and have served the Council well. The community survey and community working group did not uncover any burning issues or significant weaknesses with the current settings.

However, this process has uncovered some areas that could be improved to make the system fairer. The main changes being proposed in this update are;

- The ability for property owners (>2 ha) to apply for primary producer status and therefore have their rates calculated using the Rural 1 (75%) differential.
- The increase in the automatic Rural 1 designation from 40 ha to 50 ha. This places more properties into the 'rural living' group (at 90% differential) unless they are genuine farming operations.

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Overall, these changes align with Council's principle of supporting farming, and the protection of viable farming land from inappropriate residential development.

The remainder of the strategy (vacant land, commercial, etc) was assessed and found to be appropriate.

The draft document will be placed on exhibition for 4 weeks before returning to Council for final consideration.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Greg Pinkerton - Director Planning and Corporate Services

Attachments

1. [Download](#)  Draft Revenue and Rating Strategy (2024)
2. [Download](#)  Current Rating Strategy
3. [Download](#)  Working Group Outcome Statements
4. [Download](#)  ATO Taxation Ruling TR 97/11
5. [Download](#)  Survey Responses - Summary

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11.3 DRAFT FINANCIAL HARDSHIP POLICY

File No: 2024/267

Greg Pinkerton - Director Planning & Corporate Services Planning & Corporate Services

For Decision

RECOMMENDATION

That Council:

1. Thanks the community for its input into the Draft Hardship Policy;
2. Thanks the community working group for its careful consideration and active participation; and
3. Endorses the attached *Draft Hardship Policy (2024)* for the purpose of public exhibition until 28 June 2024.

PURPOSE OF REPORT

The purpose of this report is to present the attached *Draft Hardship Policy (2024)* for public exhibition.

BACKGROUND

Council's Hardship Policy is due for a refresh and work has been done previously to gather the community input, and consider options through a community working group. The result of this work is the attached draft that is ready to proceed to community exhibition before returning to Council for adoption.

DISCUSSION

In producing the attached draft document, Council's management has considered a number of stakeholder inputs including the deliberations of a community working group that considered Council's Revenue and rating Strategy and Hardship Policy, as well as reviewing the results of a community survey that provided guidance on community perspectives on these documents.

In addition to the community consultation, the project also considered State Government guidelines, better practice and legislative changes.

A community working group reviewed the current Hardship Policy and had the following recommendation:

The group reviewed the draft Hardship Policy and noted that the language is harsher than the approach that is currently taken by Council. The group recommends that the wording be updated to better reflect the way that interest waivers are performed.

The attached draft document has been reviewed with this in mind and the language softened to better reflect the approach taken by Council.

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In addition the draft has been updated to;

- Provide a better definition of hardship and financial hardship.
- Better explain the things that will be considered by Council when assessing applications.
- Clarify that Council prefers that an applicant seeking waivers of rates or interest seeks the assistance of a financial councillor or assistance service. This wording does not require this, however Council's preference is expressed.
- General wording improvements and clearer policy statements to remove some duplication and confusion in the current policy.

Options

Council has a number of options in regard to this policy.

- Keep the current policy. This is not recommended because the current policy is getting old and is not reflective of the current approach.
- Provide more supports and assistance than proposed in the draft policy. This is not recommended because the attached policy is similar to other Victorian councils and reflects a reasonable approach to hardship applications.
- Remove some supports or tighten the supports that are available. This is not recommended.

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	5. Accountability
Strategic Objective	5.1 Our financial management is sound, responsible and effective.
Strategic Action	5.1.1 Review Council's Revenue and Rating strategy

The Hardship Policy is often reviewed at the same time as the Revenue and Rating Strategy (a current Council Plan action). In addition to this default, the experience of Covid and current cost of living pressures adds further motivation for Council to refresh this strategy.

SOCIAL/COMMUNITY IMPLICATIONS

This policy is used regularly for ratepayers experiencing difficulty in paying rates. The use of payment plans in particular is a very common assistance that Council provides on a daily basis. This is an important part of supporting the community and helping people in need.

The higher-level supports such as interest deferrals and waivers are less common, but are used occasionally where appropriate and this can be an important assistance to ratepayers experiencing unusual financial pressures.

The highest level of support is the waiving of rates. This is very rarely requested and only applies in extreme circumstances. Despite its rare application, the existence of this safety net is an important policy position for Council to have.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

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FINANCIAL IMPLICATIONS

The adoption of this policy does not change Council's income or expenditure.

The use of this policy will reduce Council's income in some circumstances. The amount of lost income is small and the circumstances under which this happens are compelling. Therefore, the financial implications are considered to be small, and acceptable.

LEGISLATIVE IMPLICATIONS

This policy complies with the Local Government Act requirements and relevant guidelines.

RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
That this policy position does not adequately respond to a case of financial hardship, leading to further financial hardship to a ratepayer.	Unlikely	Insignificant	Low	The policy contains options to take applications to Council for decision. If a circumstance was to arise that is not anticipated by this policy a confidential report to Council would bypass the policy and allow for a bespoke solution to be applied.

There are limited risks applicable to the adoption of this policy.

COMMUNITY ENGAGEMENT

Engagement undertaken

This policy is the result of a significant amount of research as well as engagement with the community though;

- A community survey, and;
- A community working group.

Engagement outcomes

The community survey received 71 responses and the attachments show the feedback received. This was used to inform the working group content.

The working group met regularly for several sessions and considered the Hardship Policy. The group was engaged, and actively participated in the discussion. Councillors attended to observe the process and monitor the discussion.

The working group made the following recommendation:

The group reviewed the draft Hardship Policy and noted that the language is harsher than the approach that is currently taken by Council. The group recommends that the wording be updated to better reflect the way that interest waivers are performed.

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This has been done in the attached policy update.

Engagement proposed

The endorsed draft will be placed on exhibition until Friday 28 June 2024. Following this period the policy, with any updates arising from the exhibition period, will be bought back to Council for final consideration.

CONCLUSION

The attached Draft Policy is a refresh and update from the current policy. It contains very little significant change to the current policy and instead concentrates on making the document clearer and more practical to apply.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Greg Pinkerton, Director Planning and Corporate Services.

Attachments

1. [!\[\]\(c7e2656423a10dd53e20bb1b85ca6ccb_img.jpg\) !\[\]\(19cbe47912d3684710d6a37ac8b053cd_img.jpg\) Draft Fiancial Hardship Policy \(2024\)](#)
2. [!\[\]\(fb844c4419728b8bf17bf371d43a492a_img.jpg\) !\[\]\(e06d8eed9a8408560703d45e2948229a_img.jpg\) Current Financial Hardship Policy](#)

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11.4 PLANNING PERMIT APPLICATION PP23-0089 - 645 HELLHOLE CREEK ROAD, KERGUNYAH

File No: 2023/1102

James Turner - Manager Planning & Statutory Services Planning & Corporate Services

For Decision

RECOMMENDATION

That Council issues a notice of decision to refuse planning permit application PP23-0089 for a 2 lot re-subdivision at 645 Hellhole Creek Road, Kergunyah on the following grounds:

1. The proposal is contrary to the purpose and decision guidelines of the Farming Zone;
2. The proposal is contrary to the Municipal Planning Strategy and Planning Policy Framework, in particular clauses:
 - a. 02-03-4 Natural resource management
 - b. 14.01-1S Protection of agricultural land
 - c. 14.01-1L-02 Subdivision in rural areas
 - d. 14.01-2S Sustainable agricultural land use
 - e. 14.01-2R Agricultural productivity – Hume;
3. The proposal is not supported by the decision guidelines at clause 65.01 and 65.02 of the *Indigo Planning Scheme*.

SUMMARY

Application No:	PP23-0089
Subject Land:	645 Hellhole Creek Road, Kergunyah
Proposal:	2 lot re-subdivision of land
Recommendation:	Refusal in accordance with the Recommendation above.

BACKGROUND

Date application lodged:	25/5/2023
Purpose:	Seek approval to subdivide the land into 2 lots.
Subject site land area:	88.5ha
Current use of subject site:	Currently contains a single dwelling and associated outbuildings

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- Site constraints: The site is heavily vegetated to the west and southwest. Additionally, this area is heavily undulating.
- Surrounding land use: The surrounding properties are primarily used for agricultural farming purposes.
- Zoning of surrounding land: The surrounding properties are located within the Farming Zone and the Public Conservation and Resource Zone.



The BMO cover a large part of the site and surrounds:



PROPOSAL

The proposal seeks to subdivide the land into two lots.

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The proposed reconfiguration of the land results in two lots of more than 40ha, and therefore an additional dwelling right.

ZONING AND PLANNING CONTROLS

Zoning: Farming Zone (FZ)

Overlay/s: Bushfire Management Overlay (BMO)

PERMIT TRIGGER:

Farming Zone:

Pursuant to clause 35.07-3, a permit is required for subdivision.

Bushfire Management Overlay:

Pursuant to clause 44.06-2, a permit is required to subdivide land.

Planning and Environment Act 1987 - SECT 60

Section 60 of the Act provides that before deciding on an application, the responsible authority must consider:

- (a) the relevant planning scheme; and
- (b) the objectives of planning in Victoria (which include at Section 4(1)(b) to provide for the protection of natural and man-made resources...); and

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- (c) all objections and other submissions which it has received and which have not been withdrawn; and
- (d) any decision and comments of a referral authority which it has received; and
- (e) any significant effects which the responsible authority considers the use or development may have on the environment or which the responsible authority considers the environment may have on the use or development.

Section (1A) of the Act provides that the responsible authority, if the circumstances appear to so require, may consider:

- (a) any significant social and economic effects of the use or development for which the application is made; and...
- (j) any other relevant matter.

MUNICIPAL PLANNING STRATEGY AND PLANNING POLICY FRAMEWORK

The purpose of State policy in planning schemes is to inform planning authorities and responsible authorities of those aspects of State level planning policy which they are to take into account and give effect to in planning and administering their respective areas. It is the State Government's expectation that planning and responsible authorities will endeavour to integrate the range of policies relevant to the issues to be determined and balance conflicting objectives in favour of net community benefit and sustainable development. Planning and responsible authorities must take account of and give effect to both the general principles and the specific policies applicable to issues before them to ensure integrated decision-making.

Society has various needs and expectations such as land for settlement, protection of the environment, economic well-being, various social needs, proper management of resources and infrastructure. Planning aims to meet these by addressing aspects of economic, environmental and social well-being affected by land use and development.

Planning is to anticipate and respond to the needs of existing and future communities through provision of zoned and serviced land for housing, employment, recreation and open space, commercial and community facilities and infrastructure. Planning is to recognise the need for, and as far as practicable contribute towards:

- Health and safety.
- Diversity of choice.
- Adaptation in response to changing technology.
- Economic viability.
- A high standard of urban design and amenity.
- Energy efficiency.
- Prevention of pollution to land, water and air.
- Protection of environmentally sensitive areas and natural resources.
- Accessibility.
- Land use and transport integration.

The Planning Policy Framework seeks to ensure that the objectives of planning in Victoria are met and encouraged through land use and development. The following policies and clauses are deemed to be relevant to this proposal and have been considered in the assessment of this application:

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- 02-03-3 Environmental risks and amenity
- 02-03-4 Natural resource management
- 11.01-1S Settlement
- 11.01-1R Settlement – Hume
- 11.03-6S Regional and local places
- 13.02-1S Bushfire Planning
- 13.02-1L Bushfire Planning
- 13.07-1S Land use compatibility
- 14.01-1S Protection of agricultural land
- 14.01-1L-02 Subdivision in rural areas
- 14.01-2S Sustainable agricultural land use
- 14.01-2R Agricultural productivity – Hume

PARTICULAR PROVISIONS

53.02 Bushfire Planning

GENERAL PROVISIONS

65.01 Approval of an application or plan

65.02 Approval of an application to subdivide land

66.03 Referral of application under state standard provisions

REFERRAL AUTHORITIES

The application was referred to the CFA. The CFA formally responded on 14th March 2024, and has consented to the development without conditions, but highlighted a number of future issues with development of the site as the proposed Lot 2 would create an additional dwelling entitlement.

PUBLIC NOTICE

It is considered that the granting of a permit will not cause material detriment to any person therefore notice of the application was not undertaken.

DISCUSSION

This application raises issues around agricultural use and appropriate bushfire management.

Agricultural use

The Farming Zone has the following purpose:

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To provide for the use of land for agriculture.*
- *To encourage the retention of productive agricultural land.*
- *To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture.*
- *To encourage the retention of employment and population to support rural communities.*

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- *To encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision.*
- *To provide for the use and development of land for the specific purposes identified in a schedule to this zone.*

The case of *Estate of JE Walker v Wangaratta RCC [2021] VCAT 1257* is instructive in assessing applications such of these. The member found that the 40ha minimum lot size in the Farming Zone is only a pre-condition, and that any subdivision still needs to achieve the other objectives of the Farming Zone in order to be supported. In this case, the view of officers is that the subdivision does not achieve these objectives:

- The proposed re-subdivision creates an additional dwelling right, which results in a related increase in the value of the land. If an adjoining agricultural enterprise wished to expand by purchasing more land, this would be likely to make it uneconomic to do so.
- The proposed subdivision does not result in increased agricultural activity. While intensive agriculture is unlikely to be possible on this land, the limited returns possible from grazing agriculture weighs towards larger land holdings, not smaller ones.
- An additional dwelling, which could be built as of right, is likely to have amenity issues from agriculture in this area, which could potentially act as a constraint on agricultural expansion.
- No information has been provided regarding land management practises, existing or proposed.

Council's policy at clause 02-03-4 contains the following strategic directions:

- *Protect agricultural land for primary production and discourage incompatible uses and development in rural areas.*
- *Encourage land use consistent with sustainable rural land management.*
- *Avoid the fragmentation of productive agricultural land to ensure the productive capacity of land is maintained and to prevent land use conflicts.*
- *Discourage rural subdivision and dwellings for hobby farming and rural residential purposes in the Farming Zone.*
- *Direct dwellings to the Rural Living Zone and the Rural Activity Zone in Rutherglen.*
- *Encourage consolidation of existing isolated small lots in the Farming Zone.*
- *Discourage development of isolated small lots in the Farming Zone for use for single dwellings, rural living, or other incompatible uses.*

The proposed development does not comply with these directions, and further fragments farming land.

The planning policy framework at clauses 14.01-1S and 14.01-1L-02 also highlight the importance of protecting agricultural land, and in particular states:

Discourage the subdivision of land in the Farming Zone, unless it:

- *Is necessary for genuine intensive agriculture or rural production.*
- *Is compatible with the existing average farm size in the locality.*
- *Facilitates agricultural use of the land.*
- *Incorporates boundary adjustments so that no extra lots are created.*

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- *Is not to be used solely for the purposes of a dwelling.*

The proposal is not consistent with these requirements.

Finally, the decision guidelines of the FZ, while not specific to subdivision, highlight the importance of protecting agricultural land from inappropriate subdivision, potential amenity issues to and from dwellings and sustainable land management and agriculture. The proposal is not supported by these decision guidelines.

Bushfire

The subject site is covered by the bushfire management overlay. The applicant has submitted the bushfire documentation required by the BMO, and the CFA has not raised any issues with these documents. Whilst the CFA has consented to the development they have raised issue with the future development of the proposed Lot 2.

A summary of the assessment against the requirements of clause 53.02 appears below. The relevant clause is 53.02-4:

Approved Measure	Assessment
AM 2.1	<p>Complies.</p> <p>The existing dwelling and the proposed building envelope are already located:</p> <ul style="list-style-type: none"> • With the maximum separation distance from the defined “Forest” bushfire hazard • Accessible via emergency vehicles • Using existing cleared areas on the site • With the ability to provide defendable space as per requirements for the proposed BAL rating • Located on the flattest section of the site • Connected via the existing road network and driveway. • A BAL rating of 12.5 has been applied to the site and the defendable space for this is already part of a managed garden setting for the existing dwelling lot A. A BAL 19 has been applied for the proposed new Lot B. • Residents should consider early planning and relocation to a neighbourhood safe place in the event of high fire danger days.
AM 2.2	N/A, no buildings proposed
AM 2.3	N/A, no buildings proposed.
AM 3.1	N/A, no buildings proposed
AM 3.2	N/A, no buildings proposed.
AM 4.1	N/A, no buildings proposed
AM 4.2	N/A, no buildings proposed.

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AM 5.1	<p>Complies.</p> <p>The proposed building envelope shown on the plans is capable of meeting the required defendable space setbacks in column B. Compliance with the bushfire management plan, which would be locked in by section 173 agreement, would require the dwelling to be constructed in this location, and comply with this requirement.</p>
AM 5.2	N/A, land is not residential or rural residential.
AM 5.3	N/A, no new lots proposed.
AM 5.4	<p>Complies.</p> <p>The proposal includes no public open space or landscaping, and has appropriate setbacks to nearby areas of public land to the west and south.</p>

Ultimately, the proposal could be made acceptable under the bushfire provisions, so this is not included amongst the ground for refusal.

Clause 65 contains overall decision guidelines:

65.01 Approval of an application or plan

Before deciding on an application or approval of a plan, the responsible authority must consider:

- *The matters set out in section 60 of the Act.*
- *Any significant effects the environment, including the contamination of land, may have on the use or development.*
- *The Municipal Planning Strategy and the Planning Policy Framework.*
- *The purpose of the zone, overlay or other provision.*
- *Any matter required to be considered in the zone, overlay or other provision.*
- *The orderly planning of the area.*
- *The effect on the environment, human health and amenity of the area.*
- *The proximity of the land to any public land.*
- *Factors likely to cause or contribute to land degradation, salinity or reduce water quality.*
- *Whether the proposed development is designed to maintain or improve the quality of stormwater within and exiting the site.*
- *The extent and character of native vegetation and the likelihood of its destruction.*
- *Whether native vegetation is to be or can be protected, planted or allowed to regenerate.*
- *The degree of flood, erosion or fire hazard associated with the location of the land and the use, development or management of the land so as to minimise any such hazard.*
- *The adequacy of loading and unloading facilities and any associated amenity, traffic flow and road safety impacts.*
- *The impact the use or development will have on the current and future development and operation of the transport system.*

65.02 Approval of an application to subdivide land

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Before deciding on an application to subdivide land, the responsible authority must also consider, as appropriate:

- *The matters set out in section 60 of the Act.*
- *Any significant effects the environment, including the contamination of land, may have on the use or development.*
- *The Municipal Planning Strategy and the Planning Policy Framework.*
- *The purpose of the zone, overlay or other provision.*
- *Any matter required to be considered in the zone, overlay or other provision.*
- *The orderly planning of the area.*
- *The effect on the environment, human health and amenity of the area.*
- *The proximity of the land to any public land.*
- *Factors likely to cause or contribute to land degradation, salinity or reduce water quality.*
- *Whether the proposed development is designed to maintain or improve the quality of stormwater within and exiting the site.*
- *The extent and character of native vegetation and the likelihood of its destruction.*
- *Whether native vegetation is to be or can be protected, planted or allowed to regenerate.*
- *The degree of flood, erosion or fire hazard associated with the location of the land and the use, development or management of the land so as to minimise any such hazard.*
- *The adequacy of loading and unloading facilities and any associated amenity, traffic flow and road safety impacts.*
- *The impact the use or development will have on the current and future development and operation of the transport system.*

As the proposal is not consistent with the purpose and decision guidelines of the Farming Zone, the proposal is not supported by these decision guidelines.

VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL

There are a number of cases in recent years that have some relevance to this particular application and in particular *Estate of JE Walker v Wangaratta RCC [2021] VCAT 1257*, as discussed earlier.

The key passages state:

33. To the extent that Mr Haydon urged me to place a high degree of strategic weight simply on each of the intended three new lots satisfying the ‘minimum of 40 hectares’ subdivision benchmark, I regard this approach as overly simplistic and misguided. Rather, I consider this ‘minimum of 40 hectares’ benchmark as more being in the nature of a condition-precedent to an owner even seeking approval to further subdivide her or his land. Even where this ‘minimum size’ benchmark is met, a proposed subdivision of land zoned Farming Zone still needs to establish that it would be an acceptable planning outcome in terms of the broader planning framework.

...

48. I endorse Council’s submission at the hearing that the situation of a lifestyle property running a few sheep or goats or the like does not constitute meaningful farming, so as to come within the scope of the word ‘productive’, where the Planning Scheme is promoting ‘productive

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farming'. Rather, I see running a few sheep/goats/chooks or the like as being in the nature of keeping such animals essentially to fulfil the role of family pets

49. Fourth, I see weight in Council's submission that the proposal runs 'against the grain' of the common practical farming trend, where the one farmer can potentially carry out farming activities over multiple lots that are not contiguous. I accept that the proposal undermines this potential situation of a farmer generating a more sustainable farm income over a wider group of lots, by creating the situation where (if the proposal went ahead) each of the new lots may have a different owner, who may well want to independently utilise that lot him or herself. This would then remove that lot from the broader pool of lots which can be farmed on a 'group basis' in this general location. This in turn would have a negative impact on the Planning Scheme aim of land zoned Farming Zone being used for productive farming purposes.

...

52. It is common ground that if the proposal went ahead, a dwelling could be placed on each new lot on an 'as-of-right basis, from a 'planning system' point of view. If the proposal went ahead, the likely resulting land speculation/pushing up of land prices on land zoned Farming Zone again is contrary to the aim of the productive farming use of the subject land. This is because of the risk that genuine farmers potentially interested in expanding their existing farm holdings are 'priced out of the market' by potential 'lifestyle lot owners'. My findings on this issue mirror those of the Tribunal at [53] of *Gibson v Bass Coast SC* (2015) VCAT 857.

CONCLUSION

The proposed re-subdivision of land is not acceptable under the Farming Zone and part of the Municipal Planning Strategy and Planning Policy Framework relating to agriculture, and should be refused on those grounds. Issues around bushfire could ultimately be resolved, and so these issues do not form part of the grounds of refusal.

CONFIDENTIAL ATTACHMENT

The following confidential attachment has been provided to Councillors under separate cover. Recent changes to Section 197A of the *Planning and Environment Act 1997* have clarified and tightened the way Councils are able to make certain planning documents available to the public. The Act provides that the confidential document listed below can only be made available for public inspection:

- at Council offices during business hours, or
- electronically via Council's website subject to strict public availability requirements, requiring significant editing of individual documents.

Council currently does not have the resources to provide the document online in line with the public availability requirements of the Act, and so is at this stage unable to publish it in the public agenda online.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Greg Pinkerton, Director Planning & Corporate Services
- James Turner, Manager Planning & Statutory Services
- Steven Hawkins, Planning Coordinator

Attachments

1. Planning Application (Confidential)
2.   Referral Response - CFA

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12. COMMUNITY & ECONOMIC DEVELOPMENT

12.1 INDIGO SHIRE COUNCIL PUBLIC ART POLICY

File No: 2024/211

Justin Forrester - Manager Community
Development

Community & Economic Development

For Decision

RECOMMENDATION

1. That Council endorses the draft Public Art Policy for public exhibition for a period of 30 days, from 24 April to 24 May 2024;
2. If no submissions are received during the public exhibition period, the policy is adopted from 25 May 2024; and
3. If submissions are received during public exhibition, the policy is to be brought to a future Council meeting for adoption.

PURPOSE OF REPORT

The purpose of the report is to introduce and present the key details of the Indigo Shire Council draft Public Art Policy (attached). The report provides a comprehensive overview of the policy, its development process, definitions of key terms, and its scope. It outlines the vision, principles, roles, and responsibilities associated with public art within the Indigo Shire, emphasising the policy's aspirational and practical aspects.

Additionally, the report references existing legal and council plans, demonstrating the alignment of the Public Art Policy with broader strategic initiatives. It covers various aspects such as artist engagement, content and themes, First Nations engagement, commissioning and brief processes, governance through the Public Art Advisory Panel, and detailed plans for maintenance, conservation, and collection management.

The report also addresses funding mechanisms for public art initiatives and highlights the importance of communication and community engagement in implementing the policy. Overall, the purpose is to provide a clear understanding of the policy's objectives, principles, and operational details to support a recommendation for the draft Policy to be placed on public exhibition for a period of 30 days. If no submissions are received during the public exhibition period, the policy will be adopted from 25 May 2024. If submissions are received during public exhibition, the policy will to be brought to a future Council meeting for adoption.

BACKGROUND

In 2019, Council received a draft Arts Policy and report, jointly developed by Acorn Creative Group and Council staff in collaboration with various arts organisations across Indigo Shire. This policy aimed to provide guidance for staff in supporting and implementing arts and cultural activities throughout the Shire. However, recognising the need for review and update, as outlined in the Council Plan Strategic Objective 1.5.2, Council opted to defer the adoption of the 2019 Arts Policy. Instead, Council instructed staff to commission a consultant to formulate a comprehensive arts and culture strategy for the shire, given the absence of a pre-existing strategic plan.

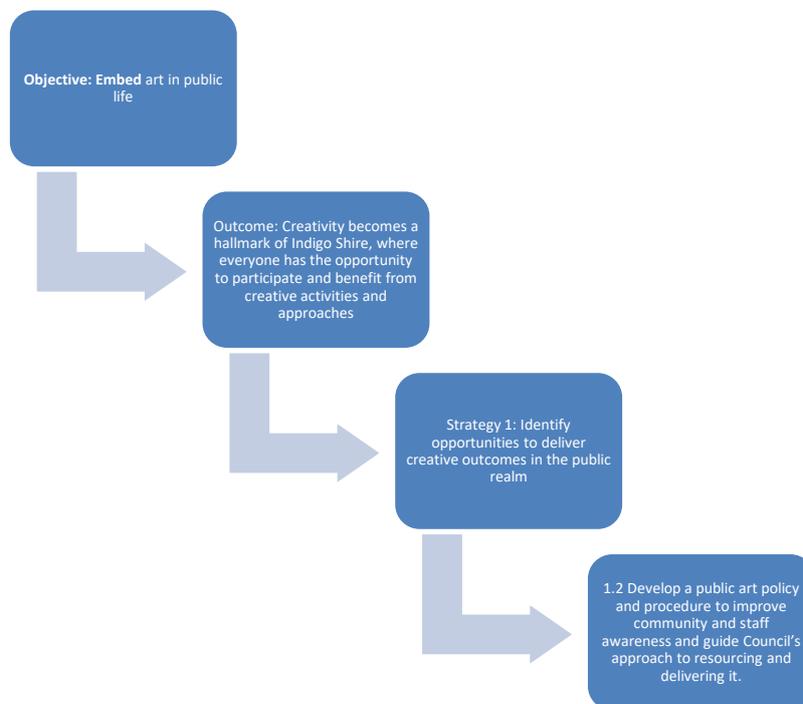
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In March 2023, Council adopted the Indigo Shire Council Creative Indigo Strategy 2027 which was developed in collaboration with Future Tense and included significant community engagement. The strategy articulates an aspirational vision for the Shire and is supported by practical actions to further local creative industries and provide access to arts and culture for residents and visitors alike.

Strategy Vision: *Indigo Shire is one of Victoria’s critical creative hubs, where arts are embedded in the way we do things and used to improve the lives of everyone.*

This statement envisions a future for Indigo where creativity is deeply ingrained in the culture and influences daily life. The community draws inspiration from its cultural heritage, physical surroundings, and the capabilities of its people to shape a vibrant and dynamic future. The emphasis is on creating a bold and thrilling environment.

Strategic context for the development of an Indigo Shire Council Public Art Policy within the Creative Indigo Strategy.



The 2019 draft Arts Policy encompassed a wide scope, addressing arts and cultural programs, services, and projects involving or led by the Indigo Shire Council. It outlined strategic objectives and highlighted key areas of action, such as supporting the creation of new artistic works, bolstering local creative industries, and recognising the broader economic and tourism contributions of the arts to the Shire.

In contrast, the 2024 Public Art Policy focuses specifically on art within the public domain, delineating Council's responsibilities regarding the acceptance or commissioning of public art, including asset management and maintenance. The strategic direction outlined in the 2019 draft Arts Policy has been integrated into the Creative Indigo 2027 initiative.

DISCUSSION

The Indigo Shire Council Public Art Policy is a comprehensive framework designed to guide the planning, creation, commissioning, and maintenance of public art within the Indigo Shire community.

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Developed in consultation with internal and industry stakeholders, the policy reflects a commitment to fostering a vibrant and culturally rich environment.

The Policy outlines the vision, principles, roles, and responsibilities associated with public art, emphasising inclusivity, sustainability, and community engagement. The policy establishes clear guidelines for artist engagement, commissioning processes, governance through the Public Art Advisory Panel, and strategies for funding and maintaining public art. Aligned with broader council plans and strategies, this policy positions Indigo Shire as a creative hub, celebrating its unique identity through diverse and high-quality public artworks. With clear guidelines for commissioning, maintenance, and funding, this Public Art Policy provides a roadmap for the sustainable development of public art projects.

Several factors contribute to the development and adoption of public art policies at the local government level:

- 1. Cultural Enrichment:** Public art is seen as a means to enrich the cultural fabric of communities. It provides a platform for artistic expression, contributing to the identity and character of a place.
- 2. Community Engagement:** Public art policies often emerge from a desire to engage the community in the creative process. Involving residents in the planning and implementation of public art projects fosters a sense of ownership and pride in local culture.
- 3. Tourism and Economic Development:** Recognising the potential of public art to attract tourists, local governments often implement policies to enhance the aesthetic appeal of public spaces. Well-curated public art can contribute to economic development through increased tourism and cultural activities.
- 4. Town Planning and Design:** Public art policies align with principles of urban planning and design, emphasising the importance of creating aesthetically pleasing and vibrant public spaces. Artistic elements can enhance the visual appeal of streetscapes and infrastructure projects.
- 5. Expression of Local Identity:** Public art provides a visual representation of local history, values, and identity. Policies supporting public art often aim to celebrate and preserve the unique characteristics of a community.
- 6. Promotion of Creativity:** Recognising the role of art in fostering creativity and innovation, local governments may implement policies that support artists, provide opportunities for artistic expression, and encourage experimentation in public spaces.
- 7. Legislative and Policy Frameworks:** Local governments in Australia operate within a broader legislative and policy framework that supports cultural development. This includes considerations for public art in planning schemes, cultural strategies, and community development plans.
- 8. Collaboration with Indigenous Communities:** Acknowledging the significance of Indigenous art and culture, some public art policies emphasise collaboration with First Nations communities. This involves incorporating Indigenous perspectives, stories, and art forms into public spaces.
- 9. Social Inclusion:** Public art policies may be driven by a commitment for social inclusion, aiming to create public spaces that are accessible and enjoyable for diverse communities. Inclusive public art projects can celebrate diversity and promote dialogue.

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10. Recognition of Public Art as an Asset: Local governments increasingly view public art as an asset that contributes to the overall well-being of residents. Policies are developed to manage and maintain public art collections, ensuring their longevity and cultural impact.

Indigo Shire Council’s support for public art in in the Shire reflects a holistic understanding of the benefits that art brings to communities, encompassing cultural, social, and economic dimensions. Public art policies provide a structured framework to guide the planning, commissioning, and maintenance of public art within a local government jurisdiction.

Maintaining public art requires a strategic and collaborative approach involving financial planning, community engagement, legal considerations, risk management, and the use of technology. Local Government play a pivotal role in ensuring that public art remains an enduring and safe asset for the community.

The Public Art Policy proposes a range of funding options that ensures Council is prepared to appropriately manage public art in the shire.

Options

To not endorse the Public Art Policy – this option is not recommended.

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	1. Communities
Strategic Objective	1.5 Our communities are enriched by a thriving and diverse arts and creative sector
Strategic Action	1.5.4 Explore and support public art opportunities throughout the Shire

SOCIAL/COMMUNITY IMPLICATIONS

The Public Art Policy has profound social implications, promoting community identity and interaction. It encourages engagement, dialogue, and a sense of belonging through diverse artistic expressions in public spaces. Additionally, it addresses social issues and celebrates cultural diversity, fostering a more cohesive and prideful community.

ENVIRONMENTAL IMPLICATIONS

Public art can have positive environmental effects by beautifying urban spaces, promoting awareness of environmental issues, and using recycled materials. However, there are potential negative impacts, such as the use of non-environmentally friendly production processes and the disruption of natural habitats. To address this, it's essential to prioritise sustainable design and materials, involve the local community in planning, conduct environmental impact assessments, and create art that can adapt to changing conditions.

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FINANCIAL IMPLICATIONS

There are no direct financial implications associated with adopting the Public Art Policy.

However, every public art installation will require sufficient financial provisions to be designated to sustain the continual maintenance of the public art, encompassing regular cleaning, repairs, and restoration endeavours. To manage this the draft Policy requires that each proposed public art project is required to include details of maintenance fees as an integral component of the proposal. The acceptance or declination of an artwork should be contingent upon a thorough evaluation of its budgetary implications.

LEGISLATIVE IMPLICATIONS

Indigo Shire Council is required to ensure that public art installations adhere to safety and environmental regulations. Regular inspections may be necessary to confirm compliance.

Contracts and Agreements: Contracts between artists and Indigo Shire Council should clearly outline maintenance responsibilities, including who is responsible for funding and coordinating repairs.

Deaccessioning Policies: This policy includes a clear procedure for deaccessioning public art when necessary, outlining the steps and reasons for such actions.

Copyright: Copyright Amendment (Moral Rights) Act 2000 requirements and the exemption Section 65 of the Copyright Act applies for all public art installations.

RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
Council reputational risk given environment, financial and social concerns	Likely	Minor	Medium	Public Art Advisory Panel to provide expert advice to Council which mitigates these concerns
Lack of community engagement	Possible	Minor	Low	All public art projects lead by Council will include an engagement plan. External parties will include the engagement plan within the proposal.

COMMUNITY ENGAGEMENT

Engagement undertaken

The community and stakeholders have been consulted in the development of this draft Policy. This has included:

- 2019 engagement occurred with internal and external stakeholders including staff, Beechworth Arts Council, Beechworth Theatre Company, Mayday Hills Arts Society, Arts Rutherglen and Arts Yackandandah.
- 2022/23: Creative Indigo Shire Strategy development involved consultation with Local Traditional Custodians, broad community engagement, project steering group, Murray Arts, Regional Arts Victoria, individual practitioners as well as community arts organisations.

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- 2024: engagement has occurred with internal ISC stakeholders including assets, planning, risk, tourism, infrastructure, capital works and economic development as well as with the Creative Indigo Project Steering Group.

Engagement outcomes

Community and industry support for the suggested process and aware of the requirements involved in preparing public art proposals.

Engagement proposed

The draft policy will be placed on exhibition for a period of 30 days. During this time the general public will have the opportunity to consider the draft and provide a submission. In addition, practicing artists and community art organisations will be specifically advised of this exhibition period.

CONCLUSION

The Indigo Shire Council Public Art Policy represents a significant step towards cultivating a dynamic and culturally enriched community. By embracing a holistic approach, the policy aligns with the strategic goals outlined in the Creative Indigo Strategy and various other council plans. It recognises the transformative power of public art in enhancing the cultural vibrancy, community identity, and economic vitality of the region.

The commitment to inclusivity, engagement with First Peoples, and the establishment of a transparent governance structure through the Public Art Advisory Panel underscore the council's dedication to fostering a thriving arts and culture ecosystem.

With clear guidelines for commissioning, maintenance, and funding, this Public Art Policy provides a roadmap for the sustainable development of public art projects, ensuring their lasting impact on residents and visitors alike. Indigo Shire Council's adoption of this policy reflects a forward-thinking approach that positions public art as a vital contributor to the community's well-being, identity, and future prosperity.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Sally Rice – Director Community & Economic Development
- Justin Forrester – Manager Community Development
- Penelope McGufficke – Creative Communities Coordinator

Attachments

1.   DRAFT Public Art Policy

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13. INFRASTRUCTURE SERVICES

13.1 MARCH CAPITAL WORKS REPORT

File No: 2024/294

Nathan Mullane - Acting Director Infrastructure Infrastructure Services
Services

For Decision

RECOMMENDATION

That Council notes the March Capital Works Report and year to date progress in the delivery of the Capital Works Program.

PURPOSE OF THIS REPORT

The purpose of this report is to update Council about progress of the 2023/24 capital works program and to provide details on individual projects.

At the June Council meeting, Council adopted the 2023/2024 annual budget and capital works program which included an allocation of \$19.931 million total budget (\$17.732m Capital, \$2.199m Non-ISC).

At the March meeting, Council adopted the recommended Q2 Forecast adjustments to the Capital and non-ISC program. The forecast includes a combined \$12,872,695 total budget (\$11.682m Capital, \$1.189m Non-ISC) of expenditure, and \$12,454,813 of income (\$11.329m Capital, \$1.125m Non-ISC).

	Budgeted Expenditure			Budgeted Income		
	Capital	Non-ISC	Combined	Capital	Non-ISC	Combined
2023/24 Adopted Budget	17,732,000	2,199,000	19,931,700	(8,940,000)	(584,000)	(9,524,000)
Revised Q2 Forecast Budget	11,685,721	1,189,974	12,872,695	(11,329,544)	(1,125,269)	(12,454,544)

	YTD Expenditure			YTD Income		
	Capital	Non-ISC	Combined	Capital	Non-ISC	Combined
March YTD Actuals	7,146,234	1,148,273	8,294,507	(2,518,964)	(950,467)	(3,469,431)

DISCUSSION

Details of individual project year-to-date expenditure and income are included in the March Capital Works Monitor attached to this report.

Capital Works Activities of Note

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Drainage Improvements – Rutherglen

Works were completed on a number of drainage improvements in and around Rutherglen, with significant effort going in to the installation of pipes in Ready Street, at the High Street intersection.

Roads Major Patching

The Roads Major Patching program was completed and finalised this month. Construction works improved the condition of almost 9000m² of sealed roads across the shire, improving the journey experience and preserving our road assets. The crew made great progress with the completion of significant works on Gundowring Road to close out the program.

Courthouse Kelly Trials Experience

Activities at the Courthouse for the Trials Experience have recommenced following the contractor demobilising from the site, following the discovery of asbestos material in the roof space in late 2023. Most of the installation activities are nearing completion, with the audio and video exhibition features being tested and adjusted.

Beechworth Pool Liner Installation

The contractor has commenced works on the project, with an order placed for the new pool liner. Site works are scheduled to commence in May.

Resheeting Program

The annual resheeting program has continued across the shire, with crews taking advantage of the favourable weather conditions to complete almost 50% of the schedule. Work locations can change rapidly, as crews move from site to site, and drivers are advised to observe all roadworks signage and travel safely through the area.

Rutherglen Skate Park extension

Final works on the skate park extension are nearing completion, with the park opened up to users. A positive initial response to the vastly expanded facility, has been pleasing to hear.

Chiltern Tennis Courts

The contractor has continued with the redevelopment of the Chiltern Tennis Courts. Drainage and electrical installations have been completed, with initial rock layers starting to be installed ahead of the pouring of concrete.

Kergunyah Hall Upgrade

The contractor has made great progress with the redevelopment of the Kergunyah Hall, a project that has been a number of years in the making. External weather boards have been completed, along with the internal walls and flooring. The kitchen is ready to be fitted out, and final painting is underway.

Capital Works Commentary

Cost Overruns

Adjustments to the capital budget were made as part of the Q2 budget review. Several long running projects had budget overruns, totally approximately \$900k across the program. Project budgets that were adjusted include the; Chiltern Hub (\$225k), Chiltern Athenaeum (\$70k), Kergunyah Hall (\$100k), Beechworth Pool Liner (\$150k), Court House Kelly Trials (\$300k), and Baarmutha Park Lighting Upgrade (\$50k). Forecast under expenditure across a number of projects, were utilised to fund the additional costs.

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Program Delivery

March was a particularly good month for project delivery, seeing our second highest month for capital outturn so far this financial year. Currently we are sitting at around 64% of the forecast expenditure. It is anticipated that the April report will again deliver strong results. With a number of projects currently under construction, and several more just commencing, this should put the program in a good position for achieving the forecast.

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	2. Liveability
Strategic Objective	2.2 Our built environment, streetscapes, facilities, amenities and open spaces are safe, inviting, attractive, well maintained, contributing to a sustainable sense of place and pride.

There is no specific reference in the Council Plan about the broader capital works program, however many of the individual projects and programs are referred to specifically in the Council Plan.

SOCIAL/COMMUNITY IMPLICATIONS

Capital works projects often have a direct positive impact on the community. Project staff engage closely with the community and stakeholders to identify the project scope and ensure expectations align with deliverables.

ENVIRONMENTAL IMPLICATIONS

Project staff continue to consider potential environmental impact in all aspects of their works and to adopted works practices to minimise the impact.

Each discrete project’s environmental impact is assessed by project officers during the planning and implementation of the project. When required an Environmental Management Plan (EMP) is developed to control and minimise the potential impact.

FINANCIAL IMPLICATIONS

Details of expenditure and income are set out in the Capital Works monitor attached to this report. This report details the progress of the capital works program.

LEGISLATIVE IMPLICATIONS

Council is required to responsibly manage and report on the budget quarterly including capital works.

The procurement requirements of the Local Government Act and Council’s Procurement Policy are adhered to with all expenditure.

RISK & OPPORTUNITY MANAGEMENT

Every project has unique risks and opportunities. Risk management is conducted at the project level and is embedded as part of the project delivery methodology.

COMMUNITY ENGAGEMENT

Community and other stakeholder engagement is done on a project level and varies according to the project deliverables and impacts on the community.

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CONCLUSION

The 2023/24 Capital Works program is progressing well, with over 64% of the forecast being delivered already. Pleasingly with the large number of awarded contracts we have, much of the program is in the hands of our construction partners, and council officers will continue to work cooperatively on the delivery of these important initiatives on behalf of our communities.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Nathan Mullane – Acting Director Infrastructure Services

Attachments

1.   Capital Works Report - March 2024

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13.2 AWARD CONTRACT - DESIGN AND CONSTRUCTION OF INDIGO CREEK ROAD BRIDGE AND ASSOCIATED WORKS 22/23-060-03

File No: 2024/308

Nathan Mullane - Acting Director Infrastructure Infrastructure Services
Services

For Decision

RECOMMENDATION

That Council:

1. Award a contract to **Nelmac Pty Ltd**, for a contract value of **\$1,270,091 (excluding GST)**;
2. Authorise the CEO to execute the contract documentation; and
3. Authorise the CEO the financial delegation to approve contract variations up to a total of 10 per cent of the signed contract value.

PURPOSE OF REPORT

This report provides an evaluation of tenders received to design and construct a new bridge on Indigo Creek Road and a recommendation to Council for the award of a contract.

BACKGROUND

Tenders were called for the design and construction of a new 23m single span, two-way, road bridge on Indigo Creek Road to replace the existing twin, round corrugated metal culverts at the site that have reached the end of their useful life. Access over the twin culverts was closed to traffic in October 2022 following the identification of movement in the road surface and subsequent discovery of significant structural deficiencies within the culverts. Traffic is currently diverted around the site via a temporary, load limited, access road and bridge approximately 20m upstream which was opened to traffic in February 2023. A significant Federal Government grant of \$1.242 million was awarded in late 2023 to cover 80% of the overall project budget.

The scope also includes initial removal and disposal of the existing steel culverts, all associated earthworks to shape the new waterway area and construction of new road approaches. Removal of the temporary bridge and access roadway materials is also in scope once the new road bridge is operational.

DISCUSSION

The tender evaluation panel assessed, and scored, submissions against the following evaluation criteria as detailed within the tender documents and in accordance with Councils Procurement Policy. The Tender Evaluation Matrix & Recommendation Report is provided as a confidential attachment to this report.

- | | |
|---|-----|
| 1. Price | 50% |
| 2. Qualification & Previous Performance | 20% |
| 3. OH&S & Environmental Management | 10% |
| 4. Local Content Benefit to the region | 10% |
| 5. Environmental Sustainability | 10% |

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Ultimately the tender from Nelmac Pty Ltd scored highest against the above tender evaluation criteria. They're a locally based company in Yackandandah, who provided a competitive lump sum price, with good management systems and significant past experience and capability delivering previous projects for Indigo Shire Council.

Options

A decision was made early after the existing culverts were assessed as being no longer serviceable to replace them with a bridge and not pursue a direct culvert replacement either in steel or reinforced concrete. The topography of the site clearly suited a single span bridge structure to provide an unobstructed waterway area which will allow clear passage for aquatic life and minimal snagging points for debris. The new bridge will also provide a much longer service life overall.

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	2. Liveability
Strategic Objective	2.3 Our infrastructure is renewed using sound asset management practices and expanded to meet the changing needs of our communities and the impact of climate change.

Ongoing maintenance and renewal of our existing bridge and major culvert assets to maintain an acceptable level of service upon our road network is a key principle prescribed within Council's Asset Management Plans.

SOCIAL/COMMUNITY IMPLICATIONS

Completion of these works will return full speed, two-way traffic to Indigo Creek Road and remove the current 23 Tonne load restriction currently in place due to the temporary bridge structure.

ENVIRONMENTAL IMPLICATIONS

It is agreed that the single span bridge option provides a significantly better outcome for the waterway as opposed to returning more culvert structures to the site which can restrict flows and impact aquatic life.

FINANCIAL IMPLICATIONS

	Approved Budget \$	This Proposal \$	Variance to Approved Budget \$	Comments
Revenue	(\$1,553,018)	(\$1,553,018)	0	Federal Government – Bridges Renewal Program Grant & Council's Capital Works Contribution
Expense	\$1,553,018	\$1,270,091	(\$282,927)	Remaining budget allocated to cover other projects expenses as discussed below.
Net Result	0	(\$282,927)	(\$282,927)	

The overall project budget for the delivery of this project is \$1,553,018, jointly funded as follows: -

- \$1,242,414 – Federal Government – Bridges Renewal Program (80%)
- \$310,604 – Council's Capital Works Program. (20%)

COUNCIL MEETING AGENDA - 23 APRIL 2024

The adopted 23/24 budget for this project was \$1,400,000 based on early project estimates but has since been forecast higher to reflect the final grant amounts and council contributions as listed above. The recommended contract price for the scope of works is 8% lower than the engineers pre-tender estimate and leaves sufficient remaining budget to cover costs associated with operation of the temporary side road and bridge, project management, engineering consultants along with a small contingency for any unforeseen costs.

LEGISLATIVE IMPLICATIONS

This recommendation is being made following a procurement process that is compliant with Council's Procurement Policy (2021). This process included consideration of opportunities for collaborative procurement with other Councils and public bodies and identified no social or economic gain in a collaborative procurement process.

RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
Recommendation is not approved	Unlikely	Moderate	Medium	Sound procurement process and selection of best value tenderer within budget

There is an opportunity with timely contract award to progress works ahead of seasonal periods of increased waterway flow risk.

COMMUNITY ENGAGEMENT

Engagement undertaken

Indigo Valley residents, along with the wider community, have been kept informed of the project developments primarily via Councils social media and electronic newsletter platforms. Direct contact with nearby landholders has been necessary during the planning stages and will continue.

Engagement outcomes

It has been clear that the reinstatement of full two-way unrestricted traffic to Indigo Creek Road as quickly as possible is a key priority for Indigo Valley residents, rural businesses and regional transport companies.

Engagement proposed

Project developments will continue to be communicated via Council's social media and electronic newsletter platforms with direct stakeholder engagement as necessary.

CONCLUSION

The tender received from Nelmac Pty Ltd met all of the necessary tender criteria, was within allocated budget and provided a delivery program well within the permitted contract time frames.

COUNCIL MEETING AGENDA - 23 APRIL 2024

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Nathan Mullane – Acting Director infrastructure Services
- Dan Wilkinson – Senior Project Engineer
- Matthew Smith - Project Manager
- Bruce Braines - Project Manager

CONFIDENTIAL ATTACHMENT

The attachment to this report is confidential under the following sections of the Act:

- *3(a) Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released.*

This section applies because the matter concerns commercial contracts around which negotiations have not been finalised, and it would prejudice the Council's position in the negotiations.

- *3(g) private commercial information, being information provided by a business, commercial or financial undertaking that -*

(i) relates to trade secrets; or

(ii) if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

This section applies because the information contains details of the rates charged across the business and it would unreasonably expose the business by providing an unfair advantage to their competitors.

Attachments

1. Tender Evaluation Recommendation - Indigo Creek Road Bridge (Confidential)

COUNCIL MEETING AGENDA - 23 APRIL 2024

14. EXECUTIVE MANAGEMENT

14.1 AUDIT & RISK COMMITTEE - BIENNIAL REPORT - MARCH 2024

File No: 2024/265

Carla Hanlon - Executive Manager People & Governance Executive Management

For Decision

RECOMMENDATION

The Council:

1. Receives the Biannual Report of the Audit and Risk Committee; and
2. Thanks the Committee for its work.

PURPOSE OF REPORT

To present a summary of the activities of the Audit and Risk Committee for the period October 2023 to February 2024.

BACKGROUND:

Under Section 54(4) of the *Local Government Act 2020* an Audit and Risk Committee must:

- a. prepare a biannual audit and risk report that describes the activities of the Audit and Risk Committee and includes its findings and recommendations; and
- b. provide a copy of the biannual audit and risk report to the Chief Executive Officer for tabling at the next Council meeting.

AUDIT & RISK COMMITTEE BIENNIAL REPORT – MARCH 2024

1. Period of the Report

The report covers the activity undertaken by the Audit and Risk Committee for the period October 2023 to February 2024.

2. Purpose of the Report

The report provides Council with a summary of the matters the Committee has addressed during the period in accordance with the Audit and Risk Committee Charter. This report has been reviewed and agreed upon by all Committee members.

3. Committee Update

The Committee consists of four independent members and two Councillors.

Independent Members

Abbas Khambati (Chair to 28 Nov 2023)

Peter Smith (Chair from 29 Nov 2023)

Ross Kearney

Aaron Coutts

The Chair changed from Abbas Khambati to Peter Smith during the period.

Councillors

Cr Sophie Price (Mayor)

Cr Bernard Gaffney (Deputy Mayor)

COUNCIL MEETING AGENDA - 23 APRIL 2024

4. Meetings

The Committee met twice – 15 November and 11 December 2023 – during the period.

There was full attendance at the 15 November meeting by the Independent Members and Councillor Representatives.

The meeting originally scheduled for 4 December was postponed due to the inability form a quorum and was subsequently held on 11 December.

Independent Member, Abbas Khambati and Councillor Sophie Price were apologies at the 11 December meeting.

Key Matters considered and recommendations made:

15 November 2023

- Asset Revaluation
- Annual Performance and Financial Statements
- Councillor Expense Reimbursement

Key Recommendations:

- Endorsement of 2022/2023 Asset Revaluation Review
- Endorsement of the Annual Performance Statement and Financial Statements
- Endorsement of Biannual Report for Submission to council

11 December 2023

- Audit Program and Recommendation Update
- Fraud and Corruption Control Policy and Plan
- Risk Management Update
- Performance Survey
- Charter Review

Key Recommendations:

- Endorsement of proposed scope and approach for the Past Issues Review and Occupational Health and Safety Internal Audit
- Endorsement of draft Risk Appetite Statement
- Endorsement of draft Risk Management Framework
- Endorsement of draft Risk Management Strategy
- Endorsement of Performance Survey Report 2022/23 for presentation at Council Meeting
- Endorsed that no changes me made to the Charter for 2023/24

COUNCIL MEETING AGENDA - 23 APRIL 2024

5. Annual Work Plan

In January 2024 a draft Work plan for 2023-24 was circulated to Committee members for feedback. Key elements of the Work plan:

- a. Internal and External Audit Oversight – reviewing outcomes of audits and management progress on recommendations
- b. Review, monitor and endorse Councils Financial Statements and Public Accountability Reporting
- c. Review the effectiveness of the risk management framework providing guidance and improvement opportunities.

6. Internal Audit

Internal Audits commenced during the period included Procurement and Contract Management and Occupational Health and Safety.

A Past Issues review was also commenced during the period.

7. Key issues

The Committee dealt with numerous issues over the period including:

- Risk Appetite Statement, Risk Management Framework and Risk Management Strategy.

The Committee has provided guidance and oversight on the revision of the Risk Appetite Statement, Risk Management Framework and Risk Management Strategy.

- Fraud and Corruption Control Plan

The Committee has provided guidance and oversight on the revision of the Fraud and Corruption Control Plan.

- Annual Performance Review

The Committee identified improved ways of meeting their regulatory obligations.

8. 2024 Meeting Schedule

The Meeting Schedule as agreed for the remainder of 2024 is as follows:

- 18 March
- 22 July
- 16 September (Additional meeting to review financial and performance statements)
- 2 December

COUNCIL MEETING AGENDA - 23 APRIL 2024

9. Chair’s Report

A highlight of this period was the Committee endorsement of the final Risk Appetite Statement, Risk Management Framework and Risk Management Strategy. These are key foundational pieces of work that evidence Councils commitment and progress towards establishing effective risk management systems and controls. The Committee notes the significant work and consultation by the Risk Co-ordinator, Executive, and council staff.

The Committee membership is stable with the reappointment of Ross Kearney and Abbas Khambati as independent members and Councillors Sophie Price and Bernard Gaffney continuing as Council representatives on the committee. This stability and experience allow the Committee to continue its focus on delivering the work plan without loss of momentum.

Meeting a requirement of the Local Government Act the Committee has also completed its annual Performance Assessment against Councils Audit and Risk Charter. While the assessment demonstrated a successful year, the Committee adopted a number of actions designed to make further refinement.

The Committee continues to oversee the Strategic Internal Audit Program and receives necessary documents and reports to support its work, including monitoring officers progress on completing audit recommendations. This period saw a pleasing uplift in the number of recommendations completed.

The Committee acknowledges the continuing work of the senior Council staff in supporting the Committee.

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	5. Accountability
Strategic Objective	5.5 Our Councillors and organisation are committed to the highest level of governance practices and conduct.
Strategic Action	5.5.2 Develop and maintain a Governance Schedule to give Council and Community visibility of future legislative requirements

SOCIAL/COMMUNITY IMPLICATIONS

The Audit and Risk Committee provides oversight of key functions of Council assisting it to operate in the best interests of the wider Community.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

COUNCIL MEETING AGENDA - 23 APRIL 2024

LEGISLATIVE IMPLICATIONS

Under Section 54(5) of the *Local Government Act 2020* an Audit and Risk Committee must:

- (a) prepare a biannual audit and risk report that describes the activities of the Audit and Risk Committee and includes its findings and recommendations; and
- (b) provide a copy of the biannual audit and risk report to the Chief Executive Officer for tabling at the next Council meeting.

RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
Failure to meet legislative requirements relating to biannual	Unlikely	Minor	Low	<ul style="list-style-type: none"> • Biannual report included in work plan

COMMUNITY ENGAGEMENT

Engagement undertaken

Nil

Engagement outcomes

Nil

Engagement proposed

Nil

CONCLUSION

The biannual report provides a summary of the activities, findings and recommendations of the Audit and Risk Committee for the period October 2023 to February 2024.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Carla Hanlon – Executive Manager People and Governance
- Sarie Los – Risk and Safety Advisor

Attachments

Nil

COUNCIL MEETING AGENDA - 23 APRIL 2024

14.2 COUNCIL PLAN 2023/2024 - QUARTER 3 PROGRESS REPORT

File No: 2024/260

Trevor Ierino - Chief Executive Officer

Executive Management

For Decision

RECOMMENDATION

That Council notes the Quarter 3 2023/2024 Council Plan Progress Report.

PURPOSE OF REPORT

The purpose of this report is to present the March 2023 (Quarter 3) Quarterly Council Plan progress update.

BACKGROUND

The report provides detailed reporting on the performance against the council plan actions.

The provision of this report is in accordance with the council's legislative responsibilities under *section 97 of the Local Government Act 2000*.

The information included in the quarterly report allows for an assessment of the Council's performance across a range of indices, concluding at the end of the year with the annual report.

The four-year Council Plan is reviewed each financial year and a one-year action plan created to ensure that Council is achieving the priorities identified.

In Quarter 3 of 2023/2024:

- 75 actions (82%) are On Track.
- 1 action (1%) is Behind Schedule.
- 15 actions (16%) are Completed.

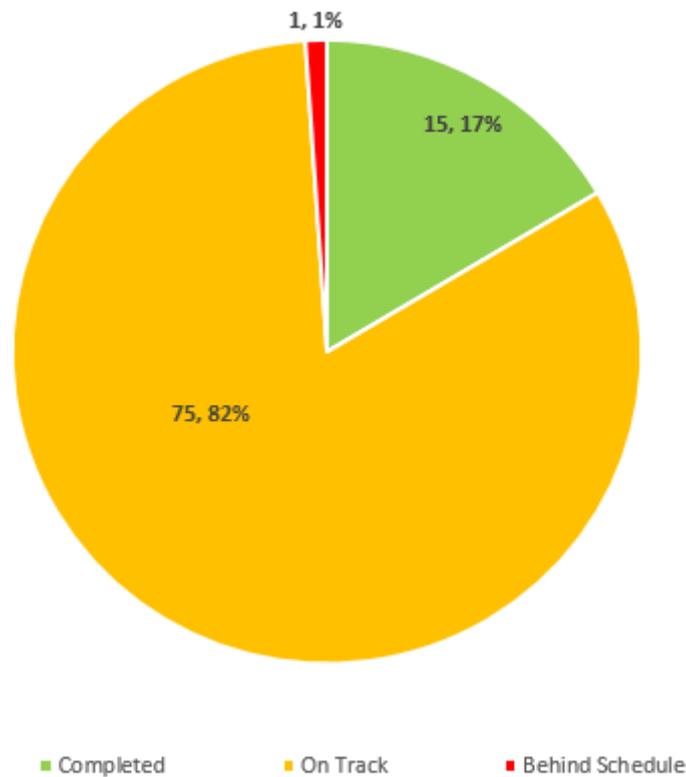
In general, most items (98%) are either 'On Track' or 'Completed'.

1 actions is listed as being "Behind Schedule":

- 2.6.1 – Council Plan Action: Expand the Shire's sealed road network in urban and rural areas.
2023/24 Action: Expand the following sealed roads - McLean Street Chiltern; Gordon Street Chiltern; Twist Creek Road Yackandandah; Kars Street Yackandandah; Barkly Street Beechworth and Taylor Street Beechworth.

It is expected that not all of these road sealing projects will be completed by June. Unfinished works to be completed in 2024/25.

Council Plan Actions - Quarter 3 Performance



The attached spreadsheet provides details of the 2023/2024 actions and the Quarter 3 status of these actions.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Trevor Ierino – Chief Executive Officer
- Kathryn Baldock – Executive Assistant CEO & Councillors

Attachments

1. [Download icon](#) Council Plan Actions 2023-2024 - Quarter 3

COUNCIL MEETING AGENDA - 23 APRIL 2024

14.3 ADVISORY COMMITTEE MINUTES

File No: 2024/259

Carla Hanlon - Executive Manager People & Governance

Executive Management

For Decision

RECOMMENDATION

That Council receives the attached unconfirmed meeting minutes for the following Advisory Committees:

- a) Finance Committee
- b) Indigrow Advisory Committee

PURPOSE OF REPORT

The report provides the minutes, recommendations and accompanying officer comments from Council's advisory committees for Council noting and endorsement of Management Recommended Actions.

BACKGROUND

Council currently has seven advisory committees. The role of an advisory committee is to provide information and advice on issues relating to the committee's specific area of expertise (i.e., the Environment Committee provides advice on environmental issues).

Each advisory committee meets regularly (the frequency of which depends on the committee) and records minutes and resolutions for Council decision. Each resolution reported to this month's meeting is highlighted in the table below and has an accompanying officer comment.

DISCUSSION

COMMITTEE	DATE OF MEETING	RECOMMENDATION	MANAGEMENT RECOMMENDED ACTION
Finance Committee	20 February 2024	That Council accepts the 31 January 2023 Finance Report.	This report was presented to and approved by Council at the March Council meeting. No further action required.
Indigrow Advisory Committee	15 March 2024	Nil	

Note: Minutes of Advisory Committee meetings may not be available at the time the agenda is published. Any Minutes not included will be reported in the following month.

COUNCIL MEETING AGENDA - 23 APRIL 2024

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	5. Accountability
Strategic Objective	5.5 Our Councillors and organisation are committed to the highest level of governance practices and conduct.

The provision of advisory committee minutes and resolutions to Council at the monthly meeting ensures that Council considers the advice of the committees. This allows transparent decision-making and highest level of governance practices and conduct.

FINANCIAL IMPLICATIONS

There are no financial implications with this report.

LEGISLATIVE IMPLICATIONS

Council's advisory committees are established by Council but do not have any delegated decision-making powers. Instead, they work under terms of reference and provide advice to Council. The advice occurs in a variety of forms, including advice to relevant Council departments, as well as advice contained within resolutions that are reported to Council.

Some advisory committee meetings are open to the public and some are closed, however all minutes are reported to Council (apart from the Audit & Risk Committee - these meetings are held 'in camera' and the minutes are not available to the public – reporting to Council occurs as per the requirements under the *Local Government Act 2020*).

RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
That advisory committee minutes and recommendations are not duly reported to Council, and the utility and confidence of the committees are undermined.	1. Unlikely	Insignificant	Low	Governance team follow up with officer secretariats to ensure that all meetings are reported to Council as soon as practicable.

CONCLUSION

The advisory committee minutes included in this report are presented to Council for noting.

COUNCIL MEETING AGENDA - 23 APRIL 2024

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130(2) of the *Local Government Act 2020* and *Governance Rule 24*, the following officers declare that they have no interests to disclose in providing this report:

- Carla Hanlon - Executive Manager People and Governance
- Annabel Harding - Governance Coordinator
- Emma O'Donnell – Governance Officer

Attachments

1. [↓](#)  Minutes - Finance Committee - 20 February 2024
2. [↓](#)  Minutes - IndiGrow - 15 March 2024

COUNCIL MEETING AGENDA - 23 APRIL 2024

14.4 INFORMAL MEETINGS OF COUNCILLORS RECORDS

File No: 2024/258

Carla Hanlon - Executive Manager People & Governance **Executive Management**

For Decision

RECOMMENDATION

That Council accepts the attached Informal Meetings of Councillors records.

This report tables the Informal Meetings of Councillors as required under Council's governance rules. Informal Meetings of Councillors Records are only required for meetings closed to the public.

PURPOSE OF REPORT

The report presents Informal Meetings of Councillors records to Council for recording in the minutes in accordance with Governance Rule 72(b)(iii).

BACKGROUND

Governance Rule 70 defines an Informal Meeting of Councillors as:

1. a meeting of an advisory committee of Council, if at least one Councillor is present, or
2. a planned or scheduled meeting of at least half the Councillors and one member of Council staff which considers matters that are intended or likely to be:
 - a. the subject of a decision of the Council; or
 - b. subject to the exercise of a function, duty or power of the Council that has been delegated to a person or a committee.

The Governance Rules specifically excludes the following meetings:

- Council Meetings
- Delegated Committee Meetings
- Community Asset Committee Meetings

Informal meetings of Councillors do not include meetings which are open to the public.

DISCUSSION

Under Governance Rule 72(b)(iii), the CEO is required to provide a summary of matters discussed at Informal meetings of Councillors, which is to be tabled at the next Scheduled Council meeting and is to be recorded in the minutes.

The attached Informal Meetings of Councillors records are presented to Council for acceptance as summarised in the following table.

COUNCIL MEETING AGENDA - 23 APRIL 2024

MEETING	DATE
Council Briefing	27 February 2024
Council Briefing	12 March 2024
Council Briefing	19 March 2024
Council Briefing	26 March 2024

NOTE:

The timing of the agenda distribution will sometimes make it difficult to provide a complete month. Please note that any items not included will carry forward to the following month.

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	5. Accountability
Strategic Objective	5.5 Our Councillors and organisation are committed to the highest level of governance practices and conduct.

An Informal Meeting of Councillors record is a mechanism for Councillors and officers to openly declare and report any conflicts that may have arisen during a defined informal meeting of Councillors. This demonstrates to Council and the community that the meetings are conducted with transparency and good governance.

FINANCIAL IMPLICATIONS

There are no financial implications with this report.

LEGISLATIVE IMPLICATIONS

Informal Meetings of Councillors are dealt with under the Governance Rules.

RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
That a defined Informal Meeting of Councillors is not reported to Council, and public confidence in transparency is undermined.	Likely	Insignificant	Medium	Regular reminders to officers about the requirement to report defined meetings. Follow up of missing records for known meetings.

CONCLUSION

The Informal Meetings of Councillors records attached to this report are a true and accurate record of all defined meetings reported since the last report to Council.

COUNCIL MEETING AGENDA - 23 APRIL 2024

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130(2) of the *Local Government Act 2020 and Governance Rule 24*, the following officers declare that they have no interests to disclose in providing this report:

- Carla Hanlon – Executive Manager People & Governance
- Annabel Harding - Governance Coordinator
- Emma O’Donnell – Governance Officer

Attachments

1. [!\[\]\(7bd90eccd870d6de3ffcf3e0422056dd_img.jpg\) !\[\]\(6a8cb50ce320d38d6796a7ea3f0d4ddb_img.jpg\)](#) Informal Meeting of Councillors Record - Council Briefing - 27 February 2024
2. [!\[\]\(53558f60bf9a8afc2465602f559582b1_img.jpg\) !\[\]\(e10e733037968c4c640648403349a1f5_img.jpg\)](#) Informal Meeting of Councillors Record - Council Briefing - 12 March 2024
3. [!\[\]\(d2912ca423929261d317f42aea8976e0_img.jpg\) !\[\]\(8763eb541a8785a0f50c460fa0ec5037_img.jpg\)](#) Informal Meeting of Councillors Record - Council Briefing - 19 March 2024
4. [!\[\]\(e6a93be252460687fbeff0ed07efa35a_img.jpg\) !\[\]\(864b9a88a1d3c7a608c4caefd686b7b7_img.jpg\)](#) Informal Meeting of Councillors Record - Council Briefing - 26 March 2024

COUNCIL MEETING AGENDA - 23 APRIL 2024

14.5 CONTRACTS AWARDED UNDER CHIEF EXECUTIVE OFFICER DELEGATION - MARCH 2024

File No: 2024/261

Trevor Ierino - Chief Executive Officer

Executive Management

For Information

The following contract was awarded by the CEO under delegation, between the values \$250,000 and \$500,000, for the month of March 2024.

Date	Tenderer	Title	Project	Amount
18/3/24	O'Loughlins Excavations	Rutherglen Loops - Section 14 - Barkly Street	Rutherglen Loops Project	\$439,360.33 (ex GST)

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	5. Accountability
Strategic Objective	5.5 Our Councillors and organisation are committed to the highest level of governance practices and conduct.
Strategic Action	5.5.2 Develop and maintain a Governance Schedule to give Council and Community visibility of future legislative requirements

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Trevor Ierino – Chief Executive Officer
- Kathryn Baldock – Executive Assistant CEO & Councillors

Attachments

Nil

COUNCIL MEETING AGENDA - 23 APRIL 2024

15. NOTICES OF MOTION

Nil reports

COUNCIL MEETING AGENDA - 23 APRIL 2024

16. COUNCILLORS REPORT

16.1 MAYOR'S DIARY - MARCH 2024

For Information

Mayor Price attended the following functions/events/meetings in March 2024.

DATE	TIME	FUNCTION / EVENT / MEETING	LOCATION
1 March	8.00am	Regional Health Summit	Wodonga
2 March	11.00am	Dedication – Service Womens Plaque Un-Veiling	Rutherglen
2 March	4.00pm	Spring Ditch Festival	Stanley
4 March	10.00am	Meeting with CEO	Beechworth
4 March	2.15pm	Filmed Interview for Community Designs, Channel 31 TV Show - on Indigo Epic	Beechworth
5 March	12.30pm	Rural Councils Victoria Event at Parliament House	Melbourne
8 March	11.30am	International Women’s Day Luncheon – Inner Wheel Club of Corowa District	Corowa
10 March	5.30pm	Official Opening – Chiltern Pro Rodeo	Chiltern
12 March	10.00am	Meeting with CEO	Beechworth
12 March	2.30pm	Council Briefing	Beechworth
14 March	9.30am	Welcome and Morning Tea – Keep Australia Beautiful Sustainable Communities Tidy Town Awards, National Judging	Beechworth
14 March	12.00pm	Meeting with Mayor Gallagher, Murrindindi Shire	Online
15 March	9.00am	Goulburn Ovens Murray MAV Regional Meeting	Online
25 March	10.00am	Meeting with CEO	Beechworth
26 March	4.00pm	Council Briefing	Beechworth
26 March	6.30pm	Council Meeting	Beechworth
28 March	3.00pm	Hume Region Local Government Network (HRLGN) Meeting	Online
30 March	11.00am	Official Opening of Easter Festivities – 2024 Golden Horseshoes Festival	Beechworth

Attachments

Nil

COUNCIL MEETING AGENDA - 23 APRIL 2024

17. DECISIONS REGISTER

17.1 DECISIONS REGISTER

File No: 2024/264

Trevor Ierino - Chief Executive Officer

Executive Management

For Information

The report outlines actions from Council Resolutions as at 26 March 2024, including those not previously listed as completed, but not including resolutions to note a report.

Meeting date	Item	Name	Resolution	Status
28 Nov 23	12.4	Closed Circuit Television (CCTV) - Indigo Shire	That Indigo Shire Council purchase two CCTV cameras in the 2024/2025 budget at a cost of no more than \$5,000 per camera. These cameras will be available for installation by Victoria Police Local Area Command across the Shire to keep our communities safe.	Not yet able to be implemented. Hold in register until 24/25 Budget submitted to May 2024 Council meeting
26 Mar 2024	8	Confirmation of Minutes from Previous Meeting(s)	That the Minutes of the Council Meeting held on 27 February 2024, as published on Council's website, be confirmed.	Completed
26 Mar 2024	10.1	Petition - Chiltern Swimming Pool Opening Hours	That Council resolves to note the petition.	Completed
26 Mar 2024	11.1	2023/24 - Quarter 2 Financial Forecast	That Council: <ol style="list-style-type: none"> 1. Refers to the tabled capital works report; 2. Adopts the tabled quarter 2 (Q2) full-year forecast figures for both operating (as shown in the operating statement below) and capital (as shown in the attached Capital Works monitor); and 	Completed

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
			3. Directs the CEO to report against these forecast figures for the remainder of the financial year.	
26 Mar 2024	11.2	Finance Report - January 2024	That Council accepts the YTD February Finance Report noting the progress against Council's Quarter 2 forecast.	Completed
26 Mar 2024	11.2	Planning Permit Application - PP23-0127 - Floating Sauna on Lake Sambell, Beechworth	<p>The Council issues a notice of decision to approve Planning Application PP23-0127 (Lake Sambell, Lake Kerferd Road, Beechworth) for buildings and works, and use of the land for a floating sauna in the public Park and Recreation Zone and Heritage Overlay, subject to the following conditions:</p> <p>PLANS REQUIRED</p> <p>1. Prior to the comment of works, plans must be approved and endorsed by the responsible authority. The plans must be drawn to scale, submitted in electronic format and show the following:</p> <p>a. a revised materials schedule in compliance with Condition 11.</p> <p>b. the proposed location pick-up and drop-off area for sauna patrons.</p> <p>c. the proposed location of the staff car park, in compliance with Condition 17.</p> <p>to the satisfaction of the responsible authority.</p> <p>ENDORSED PLANS</p> <p>2. At all times what the permit allows must be carried out in accordance with the requirements of any plans or documents approved under this permit to the</p>	Completed

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
			<p>satisfaction of the responsible authority.</p> <p>LICENCE AGREEMENT</p> <p>3. Prior to the commencement of construction, the applicant must enter into a licence agreement with the Responsible Authority, for the occupation and use of the public space. The licence agreement must include;</p> <ul style="list-style-type: none"> a. conditions for the use of the site, b. maintenance and replacement responsibilities, c. operational and complaint responsibilities, d. annual fee charges. <p>4. Prior to licence agreement approval, an advertising process must be undertaken informing of Councils intention to enter into a licence on the terms and conditions negotiated. Final approval is granted by Council with consent of DEECA.</p> <p>HOURS OF OPERATION</p> <p>5. The use must only operate between the following times, except with the prior written consent of the responsible authority:</p> <ul style="list-style-type: none"> a) 8 am and 9 pm, Victorian Daylight Savings Time. b) 8 am and 6 pm, Victorian Standard Time. <p>PATRON NUMBERS</p> <p>6. No more than 5 patrons may use the sauna at any time.</p> <p>DELIVERIES</p> <p>7. Deliveries to and from the site (including waste collection) must only take place between the following times, except with the</p>	

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
			<p>prior written consent of the responsible authority:</p> <ul style="list-style-type: none"> a. 8 am and 5 pm Monday to Friday. b. 9 am and 4 pm Saturday to Sunday. <p>AMENITY</p> <p>8. The amenity of the area must not be detrimentally affected by the use or development through any of the following:</p> <ul style="list-style-type: none"> a. The transport of materials, goods and commodities to or from the land. b. The appearance of any buildings, works or materials. c. The emission of noise, artificial light, vibration, smell, fumes, smoke, vapour, steam, soot, ash, waste water, waste products, grit or oil. d. The presence of vermin. <p>To the satisfaction of the Responsible Authority.</p> <p>9. The subject land must be kept neat and tidy at all times and its appearance must not, in the opinion of the Responsible Authority, adversely affect the amenity of the locality.</p> <p>10. All goods, refuse and packaging material associated with the development must be stored within the premises at all times unless the Responsible Authority has approved, in writing, alternative arrangements.</p> <p>11. All lighting used to externally illuminate buildings, works and uses shall be fitted with cut-off luminaries.</p> <p>MATERIALS</p>	

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
			<p>12. The roof and cladding colour or colours of the buildings hereby approved, and the finished colours of any aboveground water storage tanks must be non-reflective (i.e not “zincalume”). Neutral “earthy” colours are to be used (eg “greens”, “greys” or “browns”) so as to blend all new buildings in with the landscape and preserve the visual amenity of the area to the satisfaction of the Responsible Authority. Colours not supported include black shades (eg ‘Night Sky’ and ‘Monument’) and white shades (eg ‘Surfmist’), or colours from the metallic Colorbond range.</p> <p>GOULBURN MURRAY WATER</p> <p>13. All construction and ongoing activities must be in accordance with EPA Publication 1834.1 Civil Construction, Building and Demolition Guide (September 2023).</p> <p>14. There must be no discharge of any form of wastewater from the floating sauna into Lake Sambell. Any wastewater must be removed from the facility and disposed of appropriately at an approved waste disposal facility.</p> <p>15. Any water taken from Lake Sambell may require a take and use licence from Goulburn-Murray Water. Any water supplied by GMW is not suitable for human consumption (including sauna use) without first being properly treated.</p> <p>ENVIRONMENTAL HEALTH</p> <p>16. Any cleaning activities associated with the operation of the sauna must not impact the water quality of Lake Sambell.</p> <p>ENGINEERING</p>	

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
			<p>17. Location and design of floating sauna must not adversely impact upon dam outlet control structures.</p> <p>18. No car parking of patrons or staff permitted on gravel road shoulder at sauna location.</p> <p>EXPIRY</p> <p>19. This permit will expire if one of the following circumstances applies:</p> <p>a) The development is not started within 2 years of the issued date of this permit.</p> <p>b) The development is not completed within 4 years of the issued date of this permit.</p> <p>c) The use does not start within 2 years of completion of the development.</p> <p>d) Once commenced, the use ceases for a period of 2 years.</p> <p>e) A land licence agreement from the relevant public land manager is not entered into within 2 years of the issue date of this permit, or if the licence agreement lapses.</p> <p>f) 10 years after the date of the permit.</p> <p>In accordance with Section 69 of the Planning and Environment Act 1987, an application may be submitted to the Responsible Authority for an extension of the periods referred to in this condition.</p>	
26 Mar 2024	12.1	Enabling Tourism Fund Projects: Indigo Gold Trail 2.0 and Rutherglen Wine	That subject to confirmation by the CEO before the lodgement date that funding is available in the draft 2024/2025 Budget, Council:	Completed

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
		Experience Centre	<ol style="list-style-type: none"> Endorses applications for the following projects to the Victorian Government, Department of Jobs, Skills, Industry and Regions' Enabling Tourism Fund 2024: <ul style="list-style-type: none"> Indigo Gold Trail 2.0; Rutherglen Wine Experience Centre (to be submitted by Winemakers of Rutherglen); and Notes that, pending successful application outcome/s, Council's contribution in future budget 2024/25 will be: <ul style="list-style-type: none"> \$70K for the Indigo Gold Trail 2.0 project; and \$25K contribution to the Rutherglen Wine Experience Centre project (equal contribution from Winemakers of Rutherglen). 	
26 Mar 2024	12.2	Regional Community Sports Infrastructure Fund	<p>That Council:</p> <ol style="list-style-type: none"> Endorses an application for the following project to Sport and Recreation Victoria's Regional Community Sports Infrastructure Fund: <ul style="list-style-type: none"> Yackandandah Netball Club change rooms upgrade; and Notes that pending a successful application outcome Councils financial contribution in future budgets will be: 	Completed

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
			<ul style="list-style-type: none"> \$225,000 - Yackandandah Netball Club change rooms upgrade. 	
26 Mar 2024	13.1	Expressions of Interest for Occupancy of Beechworth Platelayers Cottage and Former Beechworth Railway Station	<p>That Council:</p> <ol style="list-style-type: none"> Supports an Expressions of Interest being advertised for occupancy of the Beechworth Platelayers Cottage in Harper Avenue and the former Beechworth Railway Station, each for a maximum term of 5 years; Notes that the preference is for community use and endorses the assessment criteria set out in this report for the expression of interest processes; and Notes that decisions on the leases will be made by Council. 	Completed
26 Mar 2024	13.2	Rutherglen Caravan Park - Proposed Lease	<p>That Council:</p> <ol style="list-style-type: none"> endorses its intention to negotiate a lease for the Rutherglen Caravan Park with the following terms: <ol style="list-style-type: none"> A 21-year lease term with a suitably experienced Caravan Park operator; The annual rental amount payable will be based on a percentage of the Caravan Park's annual turnover (amount to be determined by a competitive EOI process); The lessee will be required to invest into developing the park in line with the adopted Masterplan; and 	Completed

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
			<p>d) Council will similarly be required to commit to funding its share of upgrades required in the Masterplan;</p> <p>2. notes that a Public Notice advising of the proposed lease arrangements be placed and that submission be received for period of 14 days in accordance with Council's Community Engagement Policy; and</p> <p>3. notes that a further report will be presented to Council at a future meeting for a final decision in relation to the proposed Lease.</p>	
26 Mar 2024	13.3	February Capital Works Report	That Council notes the February Capital Works Report and year to date progress in the delivery of the Capital Works Program.	Completed
26 Mar 2024	14.1	Risk Appetite Statement	That Council adopts the Risk Appetite Statement.	Completed
26 Mar 2024	14.2	Privacy Policy Review 2024	<p>That Council endorses the draft Privacy Policy for public exhibition for a period of 30 days, from 27 March to 26 April 2024;</p> <p>2. If no submissions are received during the public exhibition period, the policy is adopted from 27 April 2024; and</p> <p>3. If submissions are received during consultation, the policy is to be brought to a future Council meeting for adoption.</p>	Completed

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
26 Mar 2024	14.3	Advisory Committee Minutes	That Council receives the attached unconfirmed meeting minutes for the following Advisory Committee: <ul style="list-style-type: none"> a) Indigo Environment Advisory Committee b) Indigo Community Access Committee 	Completed
26 Mar 2024	14.4	Informal Meetings of Councillors Records	That Council accepts the attached Informal Meetings of Councillors records.	Completed
26 Mar 2024	14.6	Amendments to Council Meeting Schedule 2024	That Council: <ul style="list-style-type: none"> 1. Cancel the 26 November 2024 Council Meeting; and 2. Move the 17 December 2024 Council Meeting to 10 December 2024 (one week earlier). 	Completed
26 Mar 2024	19.1	Indigo Community Access Committee - Application for Membership	That Council: <ul style="list-style-type: none"> 1. Appoints Judith Doughty to the Indigo Community Access Committee (ICAC); and 2. Maintains confidentiality until the appointee is notified, following which the appointment will be made public. 	Completed
26 Mar 2024	19.2	Indigo Environment Advisory Committee - Application for Membership	That Council: <ul style="list-style-type: none"> 1. Endorses the appointment of Patrick Giltrap to the Indigo Environment Advisory Committee (IEAC); and 2. Maintains confidentiality until the appointee is notified, following which 	Completed

COUNCIL MEETING AGENDA - 23 APRIL 2024

Meeting date	Item	Name	Resolution	Status
			the appointment will be made public.	

Attachments
Nil

18. GENERAL BUSINESS

COUNCIL MEETING AGENDA - 23 APRIL 2024

19. CONFIDENTIAL

Next Meeting: Tuesday, 14 May 2024 at 6.30pm

11.1

MARCH FINANCE REPORT

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2	March Exception report	87

March 2024 - Service Plan Area Statement

Service Plan Area	Note	Year to Date (YTD)				2023/24 Annual budget	2023/24 Quarter 2 Forecast	March YTD 2022/23 actual
		YTD actuals	YTD forecast	YTD variance \$	YTD variance %			
Community & economic development services								
Ageing Well		(45,698)	(51,325)	5,626	11%	(107,107)	(86,201)	(44,346)
Community development	6	78,376	24,365	54,011	222%	(387,175)	(371,699)	(268,265)
Creative Communities	9	(654,353)	(734,651)	80,297	11%	(978,010)	(1,023,827)	(566,056)
Early years	7	(2,963)	(18,395)	15,432	84%	(244,769)	(240,412)	(77,153)
Economic development	8	(307,495)	(242,550)	(64,945)	(27%)	(259,265)	(325,608)	(200,536)
Recreation	10	(422,998)	(362,230)	(60,768)	(17%)	(674,438)	(702,617)	(447,601)
Tourism		(446,874)	(437,313)	(9,561)	(2%)	(639,554)	(641,612)	(501,069)
Visitor Experience and Museums	11	(850,598)	(883,233)	32,635	4%	(1,178,581)	(1,217,821)	(869,850)
Young people	12	81,350	50,064	31,286	62%	(75,743)	(48,400)	205,964
Surplus / (deficit) community & economic development services		(2,571,254)	(2,655,268)	84,013	3%	(4,544,642)	(4,658,197)	(2,768,912)
Infrastructure services								
Asset management		(173,737)	(173,142)	(595)	(0%)	(278,628)	(296,228)	(194,914)
Buildings & property	13	(751,955)	(718,353)	(33,602)	(5%)	(1,035,238)	(1,115,237)	(529,608)
Buller gas		345,271	336,043	9,227	3%	640,526	587,926	470,054
Capital works - management	14	(199,263)	(238,080)	38,817	16%	(339,077)	(363,755)	(171,862)
Development engineering	15	(82,248)	(69,137)	(13,111)	(19%)	(110,787)	(110,787)	(115,723)
Drainage	16	(101,619)	(74,326)	(27,293)	(37%)	(44,192)	(80,963)	(84,725)
Emergency management	17	(881,061)	(642,658)	(238,402)	(37%)	(62,610)	433,098	(246,950)
Environment & sustainability	18	(188,011)	(201,247)	13,235	7%	(373,528)	(359,673)	(166,508)
Parks & gardens	19	(736,396)	(698,509)	(37,887)	(5%)	(967,372)	(974,382)	(685,987)
Pathways	20	(146,925)	(163,252)	16,327	10%	(366,451)	(274,173)	(53,625)
Plant equipment & fleet		(1,337)	4,158	(5,494)	(132%)	(59,609)	(76,880)	(332,818)
Quarries		(19,038)	(15,667)	(3,370)	(22%)	80,107	24,077	(22,680)
Roads & bridge maintenance	21	(2,032,439)	(2,006,529)	(25,910)	(1%)	(334,621)	(2,378,356)	(1,363,257)
Tree services		(450,786)	(451,288)	502	0%	(644,369)	(634,037)	(395,756)
Waste management	22	1,062,947	1,021,075	41,872	4%	(77,813)	28,156	1,126,251
Surplus / (deficit) infrastructure services		(4,356,595)	(4,090,911)	(265,684)	(6%)	(3,973,662)	(5,591,214)	(2,768,105)
Office of the CEO								
Carlisle cemetery		(13,630)	(16,314)	2,684	16%	0	(10,198)	12,846
Communications		(223,509)	(219,931)	(3,578)	(2%)	(323,602)	(318,991)	(140,384)
Customer Experience	23	(373,271)	(357,582)	(15,689)	(4%)	(505,451)	(526,869)	(384,801)
Executive management	24	(1,142,558)	(1,169,679)	27,120	2%	(1,681,585)	(1,615,959)	(1,185,836)
Governance		(122,394)	(125,502)	3,107	2%	(185,913)	(192,361)	(98,717)
Information management		(92,417)	(101,704)	9,287	9%	(167,266)	(151,252)	(109,861)
People and culture	25	(591,760)	(561,256)	(30,504)	(5%)	(879,133)	(744,585)	(545,648)
Risk management		(799,496)	(802,136)	2,640	0%	(720,854)	(880,025)	(643,447)
Surplus / (deficit) office of the CEO		(3,359,036)	(3,354,103)	(4,933)	(0%)	(4,463,804)	(4,440,239)	(3,095,848)
Planning & corporate services								
Asset depreciation		(4,841,782)	(4,841,781)	(1)	(0%)	(7,086,408)	(6,455,977)	(5,314,965)
Building control services	26	(187,924)	(174,636)	(13,289)	(8%)	(92,892)	(240,713)	(80,227)
Environmental health services	27	170,722	108,779	61,943	57%	(26,119)	71,995	105,164
Financial services	28	40,116	69,989	(29,873)	(43%)	3,978,676	38,266	667,500
Information technology	29	(1,000,215)	(963,672)	(36,542)	(4%)	(1,850,533)	(1,566,093)	(327,590)
Local laws & animals	30	(102,216)	(73,734)	(28,483)	(39%)	(67,624)	(33,981)	(56,719)
Planning		(554,008)	(563,202)	9,193	2%	(986,513)	(964,530)	(561,836)
Rates & property services		15,909,158	15,909,820	(661)	(0%)	15,944,714	15,895,977	15,234,713
Surplus / (deficit) planning & corporate services		9,433,851	9,471,563	(37,712)	(0%)	9,813,301	6,744,944	9,666,041
Surplus / (deficit)		(853,034)	(628,718)	(224,316)	(36%)	(3,168,806)	(7,944,706)	1,033,176

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Community Development
 RESPONSIBLE MANAGER: Justin Forrester
 DIRECTOR: Sally Rice

	YTD Net Result
Community and Economic Development Services	\$54,011

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
6	<p>The YTD favourable variance of \$54,011 in Community Development is due to:</p> <ul style="list-style-type: none"> • YTD favourability in VicHealth Local Government Partnership project, this will be spent prior to year end • Additional funding received for Emergency Management Community Recovery Officer role

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Early Years
 RESPONSIBLE MANAGER: Justin Forrester
 DIRECTOR: Sally Rice

**YTD
 Net Result**

**Community and Economic Development
 Services** **\$15,432**

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
7	The YTD favourable variance of \$15,432 in Early Years is due to. <ul style="list-style-type: none"> • Underspend in Maternal Child Health Universal program (employee costs)

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Economic Development
 RESPONSIBLE MANAGER: Sally Rice
 DIRECTOR: Sally Rice

**YTD
Net Result**

**Community and Economic Development
Services** **(\$64,945)**

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
8	<p>The YTD unfavourable variance of (\$64,945) in Economic Development is due to:</p> <ol style="list-style-type: none"> 1. Balance of funding for CFA Bogong Project not receipted in this quarter (\$58,080). Will be received in final quarter. 2. Additional \$3,500 spent in development of Regional Precincts and Partnerships grant application for Chiltern Land project.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Creative Communities
 RESPONSIBLE MANAGER: Justin Forrester
 DIRECTOR: Sally Rice

**YTD
 Net Result**

Community and Economic Development Services **\$80,298**

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
9	The YTD favourable variance of \$80,298 in Creative Communities is due to. <ul style="list-style-type: none"> - PLV State operating grant received \$65,219 - Favourability in salaries across both Library Outreach program and Chiltern Hub \$15,400

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Recreation
 RESPONSIBLE MANAGER: Justin Forrester
 DIRECTOR: Sally Rice

**YTD
 Net Result**

Recreation (\$60,768)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
10	The YTD unfavourable variance of (\$60,768) in Recreation is due to: <ul style="list-style-type: none"> • Awaiting funding from Sports and Recreation Victoria for Butson Park master plan project (\$30,000) • Preapproved overspend in pools maintenance budget (\$25,000)

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Visitor Experience and Museums
 RESPONSIBLE MANAGER: Susannah Doyle
 DIRECTOR: Sally Rice

	YTD Net Result
Community and Economic Development Services	\$32,635

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
11	The YTD favourable variance of \$32,635 in Visitor Experience & Museums is due to an underspend in wages in the Historic Precinct including the continued vacant Cultural Heritage & Museums Manager role. This role has now been successfully recruited.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Young People
 RESPONSIBLE MANAGER: Justin Forrester
 DIRECTOR: Sally Rice

**YTD
 Net Result**

Young People **\$31,286**

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
12	The YTD favourable variance of \$31,286 in Young People is due to: <ul style="list-style-type: none"> • Additional unbudgeted payment received for the Engage Project

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Buildings and Property
 RESPONSIBLE MANAGER: Adam Kimball
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	(\$33,602)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
13	The YTD unfavourable variance of (\$33,602) in Buildings and Property is due to unfavourable expenses due to a lightning strike in the Beechworth Historic Precinct of \$21,601. There has been an unexpected expenditure for legal advice in relation to Beechworth Childcare Centre \$4,110. Vandalism repairs to Rutherglen Senior Citizens Centre that cost \$1,338. Unbudgeted repairs to Swimming Pools costing \$1,676. Leasing costs associated with Rutherglen Caravan Park \$6,810. Increased utilities costs of \$7,640 and additional employee costs of \$10,507.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Capital Works Management
 RESPONSIBLE MANAGER: Nathan Mullane
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	\$38,817

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
14	The YTD favourable variance of \$38,817 in Capital Works Management is due to a greater focus on having staff work hours allocated to Capital chargeable projects.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Development Engineering
 RESPONSIBLE MANAGER: Adam Kimball
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	(\$13,111)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
15	The YTD unfavourable variance of (\$13,111) in Development Engineering is due to an unexpected expense for legal fees of for Reedy Street subdivision of \$6,778. There has also been an over allocation to the staff wages account of \$6,334 that will need to be moved to a capital works account at the end of the financial year.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Drainage
 RESPONSIBLE MANAGER: Brett Direen
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	(\$27,293)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
16	<p>The YTD unfavourable variance of (\$27,293) in Drainage is due to.</p> <p>Easing weather conditions over recent months will hopefully see us more closely aligned with the budget. However, the high expenditure from the first seven months will flow through to a year end unfavourable result.</p>

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Emergency Management Works
 RESPONSIBLE MANAGER: Brett Direen
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	(\$238,402)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
17	<p>The YTD unfavourable variance of (\$238,402) in Emergency Management Works is due to costs associated with the asset restoration from the 2022 Flood Events.</p> <p>Grant income to cover the works will be received through a claim process after works completed.</p>

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Environment and Sustainability
 RESPONSIBLE MANAGER: Sam Niedra
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	\$13,235

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
18	The YTD favourable variance of \$13,235 in Environment and Sustainability is mainly due to staff vacancies.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Parks and Gardens
 RESPONSIBLE MANAGER: Brett Direen
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	(\$37,887)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
19	<p>The YTD unfavourable variance of (\$37,887) in Parks and Gardens is due to.</p> <p>Seasonal variances including increased staffing costs for seasonal staff due to a high growth season.</p> <p>It is expected that this service area will largely recover over the remaining months with a small unfavourable variance forecast for the end of year.</p>

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Pathways
 RESPONSIBLE MANAGER: Brett Direen
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	\$16,327

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
20	<p>The YTD favourable variance of \$16,327 in Pathways is due to:</p> <p>Salary for a casual Rail Trail Coordinator and back-log of works due to some paths being under water due to flooding and unseasonal weather.</p> <p>It is not expected this will impact Council's end of financial year position in this service area</p>

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Roads and Bridge Maintenance
 RESPONSIBLE MANAGER: Brett Direen
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	(\$25,910)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
21	<p>The YTD unfavourable variance of (\$25,910) in Roads and Bridge Maintenance is due to.</p> <p>Essential maintenance to both sealed and rural roads due to ongoing poor road conditions as a result of the particularly wet conditions over the last couple of years.</p> <p>With Capital Works continuing during April and May, it is anticipated the budget will recover somewhat in the remaining months. It is expected however, that this service area will likely be unfavourable at year end.</p>

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Waste Management
 RESPONSIBLE MANAGER: Nathan Mullane
 DIRECTOR: Ian Ellett

	YTD Net Result
Infrastructure Services	\$41,872

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
22	The YTD favourable variance of \$41,872 in Waste Management is due to. Unspent operational budget/Reduction of kerbside volumes requiring processing.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Customer Experience

RESPONSIBLE MANAGER: Mel Collis

DIRECTOR: Mel Collis

**YTD
Net Result****Office of the CEO** **(\$15,689)**

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
23	The YTD unfavourable variance of (\$15,689) in Customer Experience is a combination of <ul style="list-style-type: none"> • The COVID Rates Project with unbudgeted expenditure which is offset by grant funding • Customer service staff salaries & wages – casual hours worked to provide service delivery support

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Executive management
 RESPONSIBLE MANAGER: Trevor Ierino
 DIRECTOR: Trevor Ierino

	YTD Net Result
Office of the CEO	\$27,120

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
24	The YTD favourable variance of \$27,120 in Executive management is a combination of Employee cost savings with staff taking leave and the timing of minor expenditure forecast

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: People and Culture

RESPONSIBLE MANAGER: Carla Hanlon

DIRECTOR: Trevor Ierino

**YTD
Net Result****Office of the CEO (\$30,504)**

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
25	The YTD unfavourable variance of (\$30,504) in People and Culture is mainly due to recruitment costs as we work to fill the vacant positions across the organisation. This shows and should be read in conjunction with the favourability in employee costs.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Building Control Services
 RESPONSIBLE MANAGER: James Turner
 DIRECTOR: Greg Pinkerton

**YTD
 Net Result**

Planning and Corporate Services (\$13,289)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
26	The YTD unfavourable variance of (\$13,289) in Building Control Services is due to is due to use of external contractors to cover the Municipal Building Surveyor vacancy.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Environmental Health Services
 RESPONSIBLE MANAGER: James Turner
 DIRECTOR: Greg Pinkerton

	YTD Net Result
Planning and Corporate Services	\$61,943

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
27	The YTD favourable variance of \$61,943 in Environmental Health Services is due to a budgeted vacancy in an Environmental Health Officer position.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Financial Services

RESPONSIBLE MANAGER: Sharon Phillips

DIRECTOR: Greg Pinkerton

**YTD Net
Result****Office of the CEO (\$29,873)**

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
28	The YTD unfavourable variance of (\$29,783) in Financial Services is due to staff vacancies within the finance team. The recruitment process is progressing and to assist the team we have been using external temporary employment services

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Information Technology
 RESPONSIBLE MANAGER: Tim Cover
 DIRECTOR: Greg Pinkerton

**YTD
 Net Result**

Office of the CEO (\$36,542)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
29	The YTD unfavourable variance of (\$36,542) in Information Technology is due to an increase in the allocation of cloud software licensing.

EXCEPTION REPORT FOR THE PERIOD ENDING 31 March 2024

SERVICE PLAN AREA: Local Laws and Animals
 RESPONSIBLE MANAGER: James Turner
 DIRECTOR: Greg Pinkerton

**YTD
 Net Result**

Office of the CEO (\$28,483)

Explanations for Service Plan Area variances + / - \$10,000

Explanation Notes

Note No	Explanation
30	The YTD unfavourable variance of (\$28,483) in Local Laws and Animals is due to income timing issues associated with income from animal registrations and local law fees due in April.

11.2

DRAFT REVENUE AND RATING STRATEGY

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STRATEGY

Revenue & Rating



Version No:	2024 Draft
Trim File No:	
Approval Date:	"To be completed after Strategy is adopted"
Approved By:	"To be completed after Strategy is adopted"
Department:	Planning and Corporate Services
Responsible Officer:	Director Planning and Corporate Services
Next Review Date:	2027
Advent Obligation No:	"To be completed after Strategy is adopted"
Circulation	Public Document

INTRODUCTION

Council provides a range of services and facilities to our local community, and in doing so, must collect revenue to cover the cost of providing these services and facilities.

Council's revenue sources include:

- Rates and Charges
- Waste and environmental charges
- Grants from other levels of Government
- Statutory Fees and Fines
- User Fees
- Cash and non-cash contributions from other parties (i.e. developers, community groups)
- Interest from investments
- Sale of assets

Property rates are Council's single biggest income source, representing approximately half of Council's income. This strategy articulates to the community how the rates are to be raised and apportioned between individual ratepayers.

The introduction of rate capping under the Victorian Government's Fair Go Rates System (FGRS) has brought a renewed focus to Council's long-term financial sustainability. The FGRS continues to restrict Council's ability to raise revenue above the rate cap unless application is made to the Essential Services Commission for a variation. Maintaining service delivery levels and investing in the renewal of community assets remain key priorities for Council. The capped rate is often lower than inflation and this requires that Council operates in an environment of ever-increasing efficiency and/or reducing service levels to the community.

Council provides a wide range of services to the community, sometimes for a fee or charge. The nature of these fees and charges generally depend on whether they relate to statutory or discretionary services. Some of these, such as statutory planning fees are set by State Government statute and are commonly known as statutory fees. In these cases, councils usually have no control over service pricing. However, in relation to other services, Council can set a fee or charge and will set that fee based on the principles outlined in this Revenue and Rating Strategy.

Revenue & Rating Strategy

REVENUE

Councils provide a mix of 'public goods', 'private goods' and 'mixed goods'. Examples of services provided by local governments that are more closely defined as public goods include local roads, footpaths, public parks and community libraries. Examples that are more closely defined as private goods include waste collection, parking and planning permits.

Directly charging users for public services (such as charging people a fee for walking on footpaths) is not appropriate and impractical. Private goods (such as the collection of household waste) can be more easily identified and charged to individuals and it is also more appropriate for these costs to be recouped by the individual who consumes the service (rather than the community at large). In reality the service that Council provides are often a mixture of public and private goods. For example, whilst an individual planning permit application may relate to a particular property owner, there is some benefit to the community in having well-planned developments and good governance processes for land use planning.

When considering the funding of services, it is important to recognise the mixture of private and public good and take this into account in setting the funding model (public money vs. private fees).

In addition to property rates, Council raises revenue through the levying of fees and charges for services, along with other revenue sources. The primary principle behind a user fee or charge is that of 'user-pays'. The basic concept argues that the beneficiary or user of a service pays an amount directly for its use. Many public services attract a fee or a charge.

The funding mix for each service is identified in Council's annual budget documentation and is one of the variables that can be altered by Council. In addition, Council's service review process considers financial performance including the cost of the service and fee income. The result is a dynamic environment where user fees and rates funding balance are reviewed each year in the budget process.

RATES

The system that controls the way that Council raises and levies rates is set by the Victorian State Government through the Local Government Act and related ministerial guidance.

The topics below are key aspects of the rating system and the basis of questions from the community. The following topics are discussed briefly to provide context to the rating system outlined in this document.

No Windfall Gain

In establishing the proportion of rates and charges to be levied on properties, there is a common misconception that if a property's valuation rises then Council's overall rate income increases. This is not the case, as revaluation process simply results in a redistribution of the rate burden across all properties in the Shire. Therefore, any increase to one property's valuation is balanced by lower rate increases for other properties. Therefore, the more appropriate way of describing an increase in a valuation at a specific property is that this property will now attract a higher proportion of Council rates than it previously did (drawing the rate burden toward that property and away from other properties).

If, for example, every property valuation was doubled, or tripled (or even halved), then the total rates that Council receives would remain the same and each ratepayer would pay exactly the same amount of rates.

Valuations

The purpose, therefore, of the valuation is to ensure that the rates are levied according to property value. This is a fundamental principle of the rating system whereby rates are based on wealth; with property values

Revenue & Rating Strategy

being used as a proxy for wealth. Valuations are performed by the Victorian Valuer General and provided to Council each year.

The use of property valuations as a proxy for wealth is more accurate in the long term, however when applied annually it is prone to two inefficiencies;

1. Property wealth does not guarantee ability to pay, and
2. Property values can be volatile

In response to this first concern, Council provides assistance for pensioners (though a rebate on the rates) and has hardship provisions for ratepayers who find themselves in a tight situation. This includes the use of payment plans and temporary lifting of interest on outstanding rates.

The second concern is more difficult for an individual Council to mitigate. At the time that this strategy is being written the State Government is exploring a valuation averaging system and, if applied in an appropriate and efficient way, this would be a welcome addition to the valuation system.

Equity

One of the key objectives for Council under the Local Government Act (1989) is to ensure the equitable imposition of rates and charges. Equity is a subjective concept that is difficult to define, what may appear to be fair for one ratepayer may be considered unfair for another. It is a choice of Council to what degree it wishes to take these equity factors into account when developing a Rating Strategy.

When considering what is equitable, Council considers a number of concepts, including but not limited to –

Horizontal equity - refers to justice or fairness in the treatment of like properties, in other words, similar rates are paid by similar properties.

Vertical equity - refers to the justice or fairness in the treatment of properties in different circumstances. It is the rationale used for the collection of income tax - those who are better off should pay more than those who are worse off. In the case of property rates, it may be considered equitable for one type of property to have to bear more or less of the rates burden than another type of property.

In its rating strategy Council must consider the valuation base it chooses to adopt to apply property rates and the application of the various rating tools available to it under the Local Government Act (e.g. differential rates).

Simplicity and Efficiency

An important goal of rating is for a simple system that is easy to understand and an efficient processing of the rates. A balance must be struck between Council's strategic rating goals (such as equity) and the cost of over-complicating the rating system. The rating and revenue settings that are articulated in this document represent the balance that is considered to be appropriate for the ratepayers of Indigo Shire.

Further Information on Rates and the Rating System

The Victorian State Government has a number of resources that assist ratepayers with the policy considerations of Council Rating Strategies.

Revenue & Rating Strategy

Rates

This section describes the rating and revenue settings that Indigo Shire Council adopts. These settings are used to produce the annual budget that is considered in draft form before its final adoption in June each year. In this way, these rating and revenue settings are revised and confirmed through this process. It is possible that Council may adjust these settings in a given year to better respond to current circumstances and maintain the underlying principles of the rating strategy (horizontal equity, simplicity, etc).

Differential Categories

General	100%
Residential vacant	200%
Rural 1 – either a/ 50 ha or greater, or b/ a primary production property 2 Ha or greater	75%
Rural 2 – 2 Ha or greater, but less than 50 ha	90%
Commercial / Industrial	135%

*As these are calculated to 6 decimal places, there may be some insignificant variances

General Differential

General properties are those that are predominantly used for human habitation, and assessed by Council's valuer as being "Residential" for the purposes of the State Government's Fire Service Property Levy, or; Not covered by another category. The objective of this general rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the construction and maintenance of infrastructure assets, development and provision of community services and provision of support services.

The categorisation of "general" properties includes some small businesses that operate from residential properties that are of small scale and do not cause significant commercial impact on the community. This may include small accommodation businesses (B&B's or self-contained accommodation, small scale professional business such as accounting etc.).

As the base differential category, the percentage rate applied to 'General' properties is always 100%. Therefore, the adjustment of the proportion of rates that apply to the General differential properties is set by its relative difference to the other rating categories.

Residential Vacant Differential

Residential Vacant land is any land which -

- Does not contain buildings; and
- Is of a type that permits residential development.

Residential vacant land has the potential to be developed for residential type accommodation that will place a similar demand for Council's services as the other residential type classifications.

Development of this land is encouraged to promote urban consolidation within the Shire and protect rural and farming land from unnecessary residential development.

Revenue & Rating Strategy

Rural Differentials

Rural 1 property is a property that is -

- Greater than 50 hectares in area, or;
- A property that is –
 - Greater than 2 ha, and;
 - Categorised by the Valuer General’s office as being a farm (through the use of the AVPCC codes), and;
 - Used mainly for the purposes of primary production, and;
 - Operated by an entity that has been assessed by the Australian Taxation Office as being a primary producer.

The objectives of this differential category are to;

- Encourage the use of rural properties for primary production.
- Provide a financial support to farmers.
- Encourage the retention of large land parcels in rural areas.
- Recognise the lower availability of Council services in rural areas.

The first criteria (greater than 50 HA) is assessed using property size and valuation classification (using AVPCC designation). The second criteria (Greater than 2 HA and used for primary production) is assessed on a case by case basis in response to a property owner’s application.

For the purpose of assessing property size under this policy, contiguous farming properties that are made up of multiple titles will be assessed as a combined total area. For example, two adjoining properties that are owned by the same person(s) with areas of 30 HA and 25 HA would be treated by this policy as a single property of 55 HA. This would result in both properties being placed in the Rural 1 differential.

Applications for a property that is between 2HA and 50HA to be included in the Rural 1 differential (as a primary producer), or an application to combine contiguous property titles to achieve a Rural 1 or 2 differential, will be assessed by Council staff and (if successful) the new differential will apply to the following financial year.

Property owners are required to notify Council if the use of the land for primary production ceases.

Once assessed as being a primary production property this designation will remain until;

- Notification from the property owner that the use of the property has changed.
- Council requests a re-assessment. This would be triggered by an observed change of property use or a concern that the primary production status is no longer valid, or;
- A change of ownership.

Following a change of ownership or a request by Council to re-assess the differential, a minimum of three months will be allowed for this process before changes are made. If three months is not available then the re-assessment will take place for the following financial year.

Rural 2 property is any property which is:

- Greater than 2 hectares and less than 50 hectares in area; and
- Used for Residential purposes as defined in Section 2 of the Valuation of Land Act (1960).

The objectives of this differential category are to;

Revenue & Rating Strategy

- Encourage the retention of large land parcels in rural areas.
- Recognise the lower availability of Council services in rural areas.

Commercial / Industrial Differential

Commercial/Industrial property is any property which is:

- assessed by Council's valuer as being Commercial or Industrial for the purposes of the State Government's Fire Service Property Levy, and;
- operating on a commercial/industrial basis.

Businesses place additional demands on some council services, as well as higher demands on road and parking infrastructure. Additionally, commercial operations are direct and indirect beneficiaries of Council's economic development and tourism activities and promotion within the shire. The objective of this rating differential is to ensure that commercial property rates reflect this demand and investment.

Municipal Charge

Council may declare a municipal charge to offset some of the administrative costs of the Council. The maximum municipal charge that can be levied is 20% of the revenue raised from rates and the municipal charge.

Council considers that it is equitable that properties make a standard contribution to offset some of the core administrative costs and that the municipal charge is a useful means of ensuring that, regardless of property size or valuation, each assessment contributes an identical amount towards the operation of the Council.

Council will set a Municipal Charge at or near the 20% maximum.

Collection and Administration of Rates

Payment Dates for Rates

There are only two options available under the Local Government Act for Council to set payment dates. The first is an option of a lump sum payment (which by law is set on the 15th February of each year) and the second is an instalment approach where payments are required at the end of September, November, February and May. Under this second approach, residents can elect to advance pay instalments at any point in order to opt out of the instalment dates.

Council will charge rates over four instalments.

Payment Methods

Council offers a range of payment methods including payment channels such as direct debit, Bpay, Internet via www.indigoshire.vic.gov.au, by mail, telephone, over the counter services at Council Service Centres, POSTbillpay, and credit card.

Council incurs costs of collection via agency and merchant service fees and will constantly review the cost/benefit case for each of these payment channels, and may adjust or delete inefficient or costly options to ensure an efficient rates collection service.

Pensioner Rebates

Revenue & Rating Strategy

Holders of a Centrelink or Veterans Affairs Pension Concession card, or a Veteran Affairs Gold card which stipulates TPI or War Widow may claim a Government-funded rebate on their sole or principle place of residence. This is provided under the Municipal Rates Concession Scheme.

Upon initial application, an ongoing eligibility is maintained unless retracted by Centrelink or Department of Veteran Affairs during verification procedures. Upon acceptance of pensioner status, the concession or rebate is deducted from the rate account and the reduction is applied against any remaining instalments.

Applications for the concession must be lodged by 30 June in each year.

Interest on Arrears and Overdue Rates

Interest is charged on all overdue rates in accordance with Section 2 of the Penalty Interest Rates Act (1983). The interest rate to apply is fixed under this Act, which is determined by the Victorian Attorney General and published by notice in the Government Gazette. Council cannot apply an alternative rate but under Section 172 of the Local Government Act has the power to exempt any person from paying the whole or part of any interest amount generally or specifically payable.

Applications for the removal or reduction of interest are managed through the provisions of the Hardship Policy.

Hardship

Financial hardship can strike anybody at any time, as a result of an unforeseen event, or due to ongoing low or fixed income. Indigo Shire Council commits to providing flexible repayment arrangements for ratepayers who are experiencing genuine hardship, therefore ensuring respectful and dignified treatment.

The flexible repayment options include payment plans for short- and medium-term financial hardship, as well as rates and charges deferrals for long-term cases (including a possible removal of interest). Finally, a waiver or rates is available for extreme cases.

The hardship supports, as well as information about the application processes is outlined in Council's 'Financial Hardship Policy'. This policy is available on the Council's website.

Revenue & Rating Strategy

Revenue

Council's income is derived from a number of non-rates sources. These are assessed annually as part of the budget process and approved by Council in the adoption of the annual budget.

The following principles guide the setting of revenue targets and methods.

Service Income

As a basic principle, services with a large private benefit will be funded by a higher proportion of fees (and lower general rates) whereas services with public benefit will be funded with a higher proportion of public income (general rates).

Overlaid with this public/private benefit principle is the lens of community desirability and efficiency.

- Community desirability reflects the community's preference for low/no fee services where it is an expectation of modern society. For example, it is arguable that maternal health service is primarily a private good and should therefore be paid on a user-pays (fee) basis. This would be considered to be unacceptable to the general community and it is reasonable that this service should be free (or very low cost). This promotes enrolment, supports families, and benefits the community as a whole through increased vaccination rates as well as improved health and learning outcomes for young children. It is therefore appropriate for this service to stand as an outlier to the general benefit-principle approach to service funding.
- Efficiency is another consideration that influences the revenue decisions that Council makes in the budget build. For example, it could be argued that parks and gardens provide a significant private benefit to the people who use them. This may indicate that a small fee should be charged to people who are visiting a park to recognise this private benefit. This would, of course, be inefficient and impractical to do. For this reason, some private benefit does not always attract Council fees.

Grant Income

Grant income is an important funding source for Council's operations and projects. Grant income is a revenue stream that should be maximised to assist with the provision of services and infrastructure whilst taking financial pressure off general rates.

When considering grant income Council will be mindful of the following influencing factors.

- Alignment to Council plans and strategies.
- Whole of life project costing. Grants may seem attractive at first, however the long-term costs may outweigh the short-term grant opportunity.
- Availability of resourcing for new projects.

Commercial Income

Council operates some services in a commercial environment. The main example of this is Council's Buller Gas operation, however some other services (such as building permits) also exist in a commercial environment.

In these situations, a core consideration is competitive neutrality and Council aims to neither significantly undercut the market through the use of public money, or inflate industry prices by seeking unrealistic returns.

Council will set fees in accordance with the objectives of the commercial operation. For instance, apart from the Council income derived from the service, very little Indigo Shire community benefit is obtained by the Buller Gas operation. Therefore, its primary objective is to support Council's revenue. This is contrasted with a service

Revenue & Rating Strategy

like building permits where there is both a private benefit, as well as a community benefit of increased development and safe construction. It is reasonable that – in addition to the competitive neutrality principles – Council may set different investment return expectations set for different services.

Waste

Council provides many services that manage waste, recycling, and resource recovery. Council aims to match the fees of providing direct waste and recycling services to the cost of those services.

In setting the waste fees and/or managing Council's expenditure it is important to note that waste costs are often difficult to predict from year to year. Large variances between years can occur from external factors such as CPI increases to the waste contracts, or landfill rehabilitation assessments. For this reason, Council does not attempt to achieve a fully matched position in any one year. Instead, Council takes a long-term view of waste and aims to achieve a balanced position over the long term. It is therefore accepted that any given year may be either a surplus or deficit in regard to service fees. For this reason, Council will set budgets in accordance with plans to achieve a long-term balanced outcome, rather than aiming to match each individual budget year.

Indigo Shire Council has traditionally funded waste from a mixture of service charges, environmental levy and general rates. As more information and guidance emerges about the good practice expectations for waste charges this mix may require adjustment to increase or decrease the funding of any particular source. These adjustments take time to implement. Where it is necessary to make an adjustment to the funding mix, Council will map out a plan to make these changes without putting at risk the waste and recycling service level.

The setting of waste fees is an emerging field with much interest. Therefore, the general principles outlined in this strategy will be re-assessed and adapted to contemporary sector guidance as appropriate. Council's charges and approach to waste and recycling may change and will therefore be described in the annual budget documents. This may differ from the approach outlined in this strategy.

Revenue & Rating Strategy

Implementation

The rating strategy changes described in this document will commence from the 2025/26 financial year.

Revenue and Rating Strategy Review and Assessment

This document contains the rates settings and policy positions that Indigo Shire Council will use in the setting and collection of the annual rates. These settings have been determined by Council after deliberative engagement with the community as well as specific financial modelling and consideration of alternatives.

Council's rating strategy will be reviewed once every 4-year Council term.

The 2024 Revenue and rating Strategy has been informed by;

- Community survey.
- Engagement input from other Council processes (Council Plan, etc.).
- Community working group.
- Legislative changes.
- Advice and guidance from the State Government.

RELATED DOCUMENTS

- Council Plan 2021-2025
- 2024 Council Report presenting this document
- Annual Budget
- Revenue & Rating Plan
- Financial Hardship Policy
- Local Government Act (1989 & 2020)
- Penalty Interest Rates Act (1983)
- Valuation of Land Act (1960).

Definitions

AVPCC - Australian Valuation Property Classification Code

TPI – Totally & Permanently Incapacitated

RATING STRATEGY



Version No:	2016
Trim File No:	INTERNAL16/559
Approval Date:	26/4/2016
Approved By:	Council Resolution
Department:	Corporate & Community Services
Responsible Officer:	Director, Corporate & Community Services
Next Review Date:	2019
Circulation	Public Document

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Indigo Shire Council Rating Strategy 2016**Introduction****Purpose**

Council's rating strategy determines how local government taxation (rates) is distributed amongst properties within the municipality. It does not influence the total amount of money to be raised; rather it considers the share of revenue contributed by each property. The rating system comprises the valuation base for each property and the actual rating instruments allowed under the Local Government Act (1989) to calculate property owners' liability for rates. A rating strategy is the method by which Council systematically considers factors of importance in making decisions about the rating system.

The purpose of this strategy is to detail Council's decisions relating to the most equitable, practical and efficient distribution of rates and charges across the ratepayers and community members of Indigo Shire. It is important to underline that the rating strategy does not change the total amount of Council's rate revenue. The rate strategy is only the allocation method used to fairly and equitably spread the rate burden across the properties in the municipality.

Review Mechanism

This strategy will guide council's budget and financial planning decisions and will be formally reviewed in 4 years (2019) or earlier as determined by council resolution.

Each year the differential categories and differential percentages will form part of the budget report and be published for public comment and input. In this way the rating strategy is reviewed and confirmed by council each financial year.

Indigo Shire Council Rating Strategy 2016**Section 1: Rates & Rating****Rates and Taxation**

Rate revenue is a major source of Indigo Shire Council's revenues, accounting for approximately 45% of its annual income.

Taxation revenue whether it is at Federal, State or a Local level is generally used to fund various forms of public goods, services and community obligations. This is not necessarily in direct relation to user benefit, but ultimately to the benefit of the community as a whole. In this respect, rates are a general purpose levy not linked to user pays principles. Other charges such as kerbside collection service charges are directly linked to costs associated with the service.

Council has endeavoured to balance the cost of providing rates and services as fairly as possible across all ratepayer groups. Council's practices and decisions regarding rating are influenced by a number of factors including legislation and Council's strategies & plans.

There are major practical considerations that influence what type of services will attract fees and charges. Most critically is whether the services being considered are either entirely or partially public goods. Public goods are defined as services that provide a broad and often unquantifiable benefit to the community rather than a particular benefit to individuals, businesses, specific groups or individual properties. Public goods have the following characteristics:

- The use of or enjoyment of them by one person does not diminish their availability to, or enjoyment by, others (that is, they are non-rival); and
- It is not practical to exclude access to them (that is, they are non-excludable).

Examples of public goods include roads, parks and public toilets. Private goods are defined as goods which are both rival in consumption (that is, one person's use diminishes its availability or enjoyment by others) and excludable. Examples of private goods include recreation centres, and the use of community halls.

Generally, Council fund private goods through user charges and fund public goods through rates. In practise however it's often difficult to define local government services as either purely public goods or purely private goods. Most will lie somewhere on the spectrum between the two. This inevitably results in a large number of Council services, although having income from user fees, being subsidised by rates.

The amount of rates & charges collected by a council depends on conscious and considered choices as to the quantity and quality of services that it decides to provide and how much of the cost is to be recovered from other revenue sources.

Indigo Shire Council Rating Strategy 2016



Considerations

Equity

One of the key objectives for Council under the Local Government Act (1989) is to ensure the equitable imposition of rates and charges. Equity is a subjective concept that is difficult to define, what is fair for one ratepayer may be considered completely unfair for another. It is a choice of Council to what degree it wishes to take these equity factors into account when developing a Rating Strategy.

When considering what is equitable, Council considers a number of concepts, including but not limited to –

Horizontal equity - refers to justice or fairness in the treatment of like properties, in other words, similar rates are paid by similar properties.

Vertical equity - refers to the justice or fairness in the treatment of properties in different circumstances. It is the rationale used for the collection of income tax - those who are better off should pay more than those who are worse off. In the case of property rates, it may be considered equitable for one type of property to have to bear more or less of the rates burden than another type of property.

In achieving vertical equity in its rating strategy Council must consider the valuation base it chooses to adopt to apply property rates and the application of the various rating tools available to it under the Local Government Act (e.g. differential rates).

The use of property values to apportion Council rates is an imperfect system in which to assess a resident's ability to pay annual rates but one which Council is restricted to under the Act. A frequently raised example is in relation to pensioners who may live in their family home which carries a high value, but live on a pension. The equity question for consideration, however, is should Council support residents in this situation with lower rates that will eventually be to the financial benefit of estate beneficiaries? Or alternatively, should the ability to defer rates (in all or in a part) represent a more equitable outcome for all ratepayers? This particular issue is dealt with in more depth in Council's Hardship Policy.

The Benefit Principle - refers to the fact that some groups have more access to, make more use of, and benefit from more, specific council services. It can be argued that there should be a link between consumption/benefit and the rate burden; however, the benefit principle is difficult in practice due to the complexity and, in some cases, impossibility, of measuring the relative levels of access and consumption across the full range of council services.

It is also common that the group of people who require less services of certain type (e.g. child care) may indeed require more frequent service of another type (e.g. aged care). It is the level of benefit across the full range of rates-funded services that is important in determining the amount of rates that should be paid. One of the more misunderstood elements of the rating system is that residents often intuitively seek to equate the level of rates paid with the amount of benefit they individually achieve. The reality is, however, that rates are a system of taxation not dissimilar to PAYE tax, and no direct link to a particular level of benefit is required.

In paying a tax on salaries, it is rarely questioned what benefit is received with it being acknowledged that tax payments are required to pay for critical services (e.g. health and education) across the nation. Local Government is not different to this outcome with rates being used to subsidise the delivery of services and capital works that would otherwise be unaffordable if charged on a case by case basis.

Indigo Shire Council Rating Strategy 2016



Legislative

The Local Government Act (1989) provides a legislative framework within which Council must operate when determining its rating system. A number of factors are specified within the Act that Council must evaluate when setting its rating objectives -

- **Equitable imposition of rates and charges (Section 3C)** – A council must ensure the equitable imposition of rates and charges.
- **Valuation Bases (Section 157)** – A council may use the site value, net annual value or capital improved system of valuation.
- **Rates and Charges (Section 159 to 163)** - A council can levy general rates, municipal charges, service rates and charges and special rates and charges. General rates can be raised by the application of a uniform or a differential rate
- **Municipal Charge (Section 159)** - An optional charge that a Council may levy to cover some of its administrative costs. The revenue that can be obtained from a municipal charge is limited to 20% of the total revenue to be obtained from general rates and the municipal charge.
- **Service Rates and Service Charge (Section 162)** - may be declared for any of the following services:
 - The provision of a water supply;
 - The collection and disposal of refuse;
 - The provision of sewage services;
 - Any other prescribed service.
- **Special rates and special charges (Section 163)** - provisions can be used to defray expenses or repay (with interest) any advance made to, or debt incurred or loan raised by Council in relation to the performance of a function or the exercise of a power, if the Council considers that the performance or exercise is or will be of special benefit to the persons required to pay it. Council uses special rates and charges for the construction of kerb and channelling, footpath and drainage schemes.
- **Differential Rates (Section 161)** - enables a Council rating on a Capital Improved Value basis to raise any general rates by the application of differential rates if the Council considers the differential rate will contribute to the equitable and efficient carrying out of its functions. Differential rates allow Councils to make choices about the tax treatment of different property groups. There is no limit to the number of differential rates that can be applied, but clear objectives must be set and specified.
- **Payments of rates and charges (Section 167)** – A council must allow a person to pay a rate or charge in four instalments or as a lump sum
- **Incentives for prompt payment (Section 168)** – A council may provide incentives for the payment of rates and charges before the due date.
- **Rebates and Concessions (Section 169)** - A council may grant a rebate or a concession in relation to any rate or charge to assist the proper development of the municipal district, and to preserve, restore and maintain buildings or places of historical or environmental interest. Council may also grant a rebate or concession to support the provision of affordable housing, to a registered agency.

Indigo Shire Council Rating Strategy 2016**Strategic**

In addition to the Local Government Act, Council's rating objectives are also developed in conjunction with its strategic frameworks. The strategic objectives of Council are set out in the following -

- Indigo Shire Council Plan (4 Year)
- Annual Budget
- Strategic Resource Plan

Efficiency

Efficiency can be defined as the ratio of ends produced (output) to means used (inputs). In other words it can be considered directly related to the cost of administering the rates system. Administration costs include the issuing of assessments, collection of rates, including maintaining and improving collection systems, monitoring outcomes, educating and informing ratepayers, and enforcement and debt recovery.

There is a tendency for uniformity to help minimise administration costs. A simple rating system is more transparent, meaning that the underlying purpose and principles behind the design of a tax are clearer who is liable for a particular rate and how tax liability is calculated. However, it is also possible for a simple rate system to be costly if it is unpopular and results in increased appeals and higher collection costs.

External Influences

Council is subject to numerous economic factors. Since Councils major expenditure item is salaries and wages, any price index and EBA adjustments will have a significant impact on costs and subsequent rating decisions.

Council is also subject to significant movements in funding from State and Federal sources, as well as legislative restrictions imposed by other levels of government.

Indigo Shire Council Rating Strategy 2016



Section 2: Valuations

Valuations System

Section 157 of Local Government Act (1989) provides Council with three valuation systems –

- **Site Value** - the value of the land only, excluding any improvements.
- **Capital Improved Value** - the total value of the property (Site Value plus the value of all improvements); the sum which land, if it were held for an estate in fee simple unencumbered by any lease, mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on any reasonable terms and conditions which a genuine seller might in ordinary circumstances be expected to require;
- **Net Annual Value** - is estimated annual value based on land, buildings and improvements, subject to a limit of 5% of CIV for residential and farm land but for commercial and industrial, this is set at market rate and includes fixed plant and machinery as part of rental calculation.

Council currently uses the Capital Improved Value (CIV) as a basis for levying rates. The CIV is determined by a valuer and is the total market value of the land plus the value of improvements made to the property including buildings and landscaping.

Properties are revalued by an independent valuer every two years to maintain a fair distribution of the rates burden between property owners within a municipality.

CIV is the most commonly used valuation base by Victorian Local Government with more than 70 Councils applying this methodology. Based on the value of both land and all improvements on the land, it is relatively easy to understand by ratepayers as it equates to the market value of the property.

Under the Local Government Act (1989), Council is entitled to apply differential rates provided it uses CIV as its base for rating. This is key driver for Council's use of CIV.

No Windfall Gain

In establishing the proportion of rates and charges to be levied on properties, there is a common misconception that if a property's valuation rises then Council receives additional income. This is not the case, as the general revaluation process simply results in a redistribution of the rate burden across all properties in the Shire. Any increase to total valuations is offset by a reduction in the 'rate in the dollar' used to calculate the rate for each property.

Differential Rates

Section 161 of Local Government Act (1989) allows Council to raise general rates through use of differential rates. The use of differential rates ensures greater equity and appropriate contribution from rates according to land use characteristics in relation to affordability and taxation principles.

The act states that Council may raise any general rates by the application of a differential rate if –

- a) It uses the Capital Improved Valuation system of valuing land; and
- b) It considers that a differential rate will contribute to the equitable and efficient carrying out of its functions.

Indigo Shire Council Rating Strategy 2016



The advantages of utilising a differential rating system are:

- There is greater flexibility to distribute the rate burden between all classes of property, and therefore link rates with the ability to pay and reflecting the tax deductibility of rates for commercial and industrial premises;
- Differential rating allows Council to better reflect the investment required by Council to establish infrastructure to meet the needs of the commercial and industrial sector;
- Enables Council to encourage particular developments through its rating approach e.g. to encourage development on vacant residential land;
- Allows Council to reflect the unique circumstances of some rating categories where the application of a uniform rate may create an inequitable outcome;
- Allows Council discretion in the imposition of rates to 'facilitate and encourage appropriate development of its municipal district in the best interest of the community'.

The general objective of each of the differential rates is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council. Each differential rate may also have specific objectives.

The Act also outlines the regulations relating to differential rates. This section is outlined below.

- A Council may raise any general rates by the application of a differential rate, if Council considers that the differential rate will contribute to the equitable and efficient carrying out of its functions.
- If a Council declares a differential rate for any land, the Council must-
 - a) Specify the objectives of the differential rate, which must be consistent with the equitable and efficient carrying out of the Councils functions and must include the following:
 - i. A definition of the types of classes of land which are subject to the rate and a statement of the reasons for the use and level of that rate.
 - ii. An identification of the type or classes of land which are subject to the rate in respect of the uses, geographic location (other than location on the basis of whether or not the land is within a specific ward in Councils district)
 - b) Specify the characteristics of the land, which are the criteria for declaring the differential rate.
- The maximum differential allowed is no more than 4 times the lowest differential.

Policy Position

Council will levy rates using a differential system in accordance Section 161 of Local Government Act (1989).

Indigo Shire Council Rating Strategy 2016



Section 3: The Indigo Shire Rating System

Municipal Charge

As defined in Section 159 of the Local Government Act (1989), Council may declare a municipal charge to offset some of the administrative costs of the Council. The maximum municipal charge that can be levied is equal to 20% of the revenue raised from rates and the municipal charge divided by the number of chargeable properties.

Council considers that it is equitable that properties make a standard contribution to some administrative costs and that the municipal charge is a useful means of ensuring that, regardless of property size or valuation, each assessment contributes a flat, identical contribution towards the operation of the Council.

Policy Position

Council will levy a Municipal Charge at or near the maximum permitted 20% as defined in Section 159 of the Local Government Act (1989).

Differential Rates

Differential Definitions

The objectives of the differential rates are to raise the Council's rates in a way where each class of land is dealt with fairly and equitably.

Policy Position

Council will use five differential rating categories;

1. **General**
2. **Residential Vacant**
3. **Rural 1**
4. **Rural 2**
5. **Commercial/Industrial**

General Differential

General properties are those that are -

- predominantly used for human habitation, and assessed by Council's valuer as being "Residential" for the purposes of the State Government's Fire Service Property Levy, or;
- not covered by another category.

The actual rating burden applied to general or residential properties is determined by decisions to apply either higher or lower rates in the dollar of property value to other classes of property. The equity of the general rate is therefore a by-product of the equity inherent in the setting of those other rates. Differential rates are set relative to the general or residential rate.

Indigo Shire Council Rating Strategy 2016



The objective of this general rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the construction and maintenance of infrastructure assets, development and provision of community services and provision of support services.

The categorisation of “general” properties includes small businesses that operate from residential properties that are of small scale and do not cause significant commercial impact on the community. This may include small accommodation businesses (B&B’s or self-contained accommodation, small scale professional business such as accounting etc.).

Being the base / default differential category, the rating differential of General properties is always 100%.

Residential Vacant Differential

Residential Vacant land is any land which:

- does not contain buildings; and
- is of a type that permits residential development.

Residential vacant land has the potential to be developed for residential type accommodation that will place a similar demand for Council’s services as the other residential type classifications.

In order to encourage development, Council considers that vacant land should be treated differently. Development may be encouraged for its salutary effect on local employment and income and also as part of an overall strategic approach to encourage urban consolidation within the Shire.

Council recognises that the area of higher differential rating of residential vacant land is subjective and arguments can be made to support a number of positions. Council considers on balance there are factors that materially influence the decisions of property owners to sell or develop land.

Therefore, the objective of this differential is to encourage appropriate development in residential areas.

Policy Position

Council will apply a differential rate titled Residential Vacant, with the differential set at 200% of the General rate.

Rural Differentials

Rural 1 property is any property which is:

- greater than 40 hectares in area; and
- used for Farm Land as defined in Section 2 of the Valuation of Land Act (1960).

Rural 2 property is any property which is:

- greater than 8 hectares and less than 40hectares in area; and
- Used for Residential or Farm Land as defined in Section 2 of the Valuation of Land Act (1960).

Indigo Shire Council Rating Strategy 2016



The basis for this decision is that, in the absence of some rate relief, the higher land component inherent in farming properties contributes to their relatively higher values and would result in farmers having to pay disproportionately high rates in relation to the income or surplus able to be generated from their properties. There is also a level of support within Council that, by virtue of their distance from urban centres, farming households' access and consumption of a range of services is lower and should be taken into account when setting rates.

Therefore the objective of these two rural rates is to balance the rating burden for properties in rural areas.

Policy Position

Council will apply two rural differentials;

- **Rural 1: For land greater than 40 HA, the differential rate will be set at 75% of the General rate.**
- **Rural 2: For land between 8 HA and 40 HA, the differential rate will be set at 90% of the General rate.**

Commercial and Industrial Land Differential

Commercial/Industrial property is any property which is:

- assessed by Council's valuer as being Commercial or Industrial for the purposes of the State Government's Fire Service Property Levy,
- operating on a commercial / industrial basis.

It is Council's position that businesses place additional demands on some council services. Higher demands are also placed on road infrastructure through specific commercial/industrial heavy vehicle movements. Additionally, commercial operations are direct and indirect beneficiaries of economic development and tourism activities and promotion within the shire. The objective of this rating differential is therefore to ensure that commercial properties are charged accordingly for this demand and investment.

Policy Position

Council will apply a differential rate titled Commercial/Industrial with the differential set at 135% of the General rate.

Retirement Villages

Council acknowledge that retirement villages provide a proportion of the services normally provided by local government. In recognition of this, and in support of retirement living options in Indigo Shire, Council will provide favourable conditions for accredited retirement villages.

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*Policy Position*

Council will only charge one Municipal Charge and one Environmental Management Contribution per accredited retirement village.

Cultural and Recreational properties

The Cultural and Recreational Lands Act 1963 provides a means for Councils to grant a rating concession to any cultural or recreational property which meet the test of being 'rateable land' under the Act. The decision as to whether a cultural or recreational rate is applicable will be determined at Council's discretion.

Policy Position

Council does not consider that rebates to Cultural and Recreational Land provides sufficient public benefit to justify the additional rating burden on all other ratepayers.

Charitable and Not-For-Profit Organisations

Section 154 of the Local Government Act 1989 provides for properties where the use is charitable, to be non-rateable. Throughout the Shire, charitable uses include those providing health services, education, religion and services to the needy.

There also are a number of organisations, which provide housing for low-income people, on a voluntary and not-for-profit basis. The provisions of the Local Government Act (1989) preclude such residential properties from being non-rateable, even though their use may be regarded as charitable, in the everyday sense of the term.

Policy Position

Council will comply with Section 154 of the Local Government Act (1989) and not expand concessions beyond those provided for in legislation.

Service Charges

Council currently applies four service charges for garbage collection, recycling collection, organic collection and for environmental management. These operate as a charge per serviced assessment.

Policy Position

Council will levy a service charge for garbage collection, recycling collection, organics waste collection and for environmental management.

Indigo Shire Council Rating Strategy 2016**Section 4: Collection and Administration of Rates*****Payment Dates for Rates***

There are only two options available under the Local Government Act (1989) for Council to set payment dates. The first is an option of a lump sum payment (which by law is set on the 15th February of each year) and the second is an instalment approach where payments are required at the end of September, November, February and May. Under this second approach, residents can elect to advance pay instalments at any point in order to opt out of the instalment dates.

Payment Methods

Council currently offers, and will continue to offer, a range of payment methods including payment channels such as direct debit, Bpay, Internet via www.indigoshire.vic.gov.au, by mail, telephone, over the counter services at Council Service Centres, POSTbillpay, and credit card.

Council incurs costs of collection via agency and merchant service fees and will constantly review the cost / benefit case for each of these payment channels.

Pensioner Rebates

Holders of a Centrelink or Veterans Affairs Pension Concession card, or a Veteran Affairs Gold card which stipulates TPI or War Widow may claim a Government-funded rebate on their sole or principle place of residence. This is provided under the Municipal Rates Concession Scheme.

Upon initial application, an ongoing eligibility is maintained unless rejected by Centrelink or Department of Veteran Affairs during verification procedures. Upon acceptance of pensioner status, the concession or rebate is deducted from the rate account and the reduction is applied against any remaining instalments. Applications for the concession must be lodged by 30 June in each year.

Late / Non Payment of Rates

In the event that an account becomes overdue, Council has established procedures for the issue of an overdue final notice which may include interest. In the event that the account remains unpaid and without an agreed payment plan, Council may take legal action without further notice to recover any overdue amount. All fees and court costs are recoverable from the ratepayer.

The principle in providing for such penalty is that ratepayers who pay within the required timeframe should not have to subsidise or bear any cost of ratepayers who default in payment. As an option of last resort, Council may avail itself of the options under section 180 and 181 of the Local Government Act 1989, to address non-payment of rates.

Council makes every effort to contact ratepayers at their correct address but it is the ratepayers' responsibility to properly advise Council of their contact details.

Interest on Arrears and Overdue Rates

Interest is charged on all overdue rates in accordance with Section 172 of the Local Government Act (1989). The interest rate to apply is fixed under Section 2 of the Penalty Interest Rates Act (1983), which is determined by the Victorian Attorney General and published by notice in the Government Gazette.

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Council cannot apply an alternative rate but under Section 172 of the Local Government Act (1989) has the power to exempt any person from paying the whole or part of any interest amount generally or specifically payable.

Hardship

Financial hardship can strike anybody at any time, as a result of an unforeseen event, or due to ongoing low or fixed income. Indigo Shire Council commits to providing flexible repayment arrangements for ratepayers who are experiencing genuine hardship, therefore ensuring respectful and dignified treatment.

The flexible repayment options include payment plans for medium term financial hardship, rates and charges deferrals for long-term cases (including a possible interest rate reduction), and waiver of rates for unusual financial hardship cases (which may be assessed by an independent financial counsellor).

In all applications Council will request supporting documentation as evidence of hardship. Council acknowledges that timely recovery of rates and charges is essential to ensure adequate funding of community services and capital works projects, and therefore will implement best practice arrangements for the collection of rates and charges for ratepayers experiencing hardship.

Recommendations from the Revenue and Rating Strategy / Hardship Policy Reference Group

Farming

The group considered the farming differential and supports a differential that is lower than the general rate.

The group discussed at length the problem of defining primary production/farming, compared to rural lifestyle. The group recommends that Council should;

- Continue the practice of automatically allocating the farming differential to properties over a certain size (currently 40 ha).
- That Council should consider changing the automatic "Rural 1" qualifying size from 40 ha to 50 ha.
- Allow the farming rate for properties that are above 2 HA that can demonstrate that the primary purpose of the property is farming.

The group also noted that commercial operations in farming areas manufacturing, (function centres, etc) are an anomaly that is currently not addressed in the rating system. Whilst no recommendation was made in relation to this situation, the group suggested that this be considered further.

Trust for Nature

The group considered land that has been set aside for environmental purposes (through Trust for Nature, or similar process). The group notes that this action would result in a low land valuation, and therefore no change to the differential, or Council rebate, is recommended by the group.

Vacant Residential

The group supports the current differential on vacant residential land.

Rural Living

The group considered rural living blocks that are outside of township areas, however the group did not reach a consensus or recommendation on this topic.

Communication

The group recommended that Council improve communications in regard to;

- How the rates system works.
- The provisions of the Hardship Policy and information about how to apply.
- The costs that are covered by the Municipal Charge.

- The costs that are covered by the Waste Charge.

Commercial/Industrial

The committee is supportive of the current 135% differential for commercial/industrial properties.

Short-Term Accommodation

Short-term accommodation that is not currently captured by the Commercial/Industrial rate (Air B-n-B, etc.) was discussed. The group understands the challenges with short-term rentals, but does not consider that the rating system is the means to rectify these.

Municipal Charge

The group is comfortable with the current Municipal Charge being at or near 20%, and considers that the impact of reducing this percentage would unfairly disadvantage the farming community.

Hardship Policy

The group reviewed the draft Hardship Policy and noted that the language is harsher than the approach that is currently taken by Council. The group recommends that the wording be updated to better reflect the way that interest waivers are performed.

TR 97/11 - Income tax: am I carrying on a business of primary production?

 This cover sheet is provided for information only. It does not form part of *TR 97/11 - Income tax: am I carrying on a business of primary production?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *16 November 2011*

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Taxation Ruling

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Taxation Ruling

Income tax: am I carrying on a business of primary production?

other Rulings on this topic

IT 219; IT 2006; TR 93/26;
TR 95/6; TR 96/7;
TD 93/39; TD 93/95;
TD 96/16

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*This Ruling, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the **Taxation Administration Act 1953**, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Ruling is a public ruling and how it is binding on the Commissioner.*

[Note: This is a consolidated version of this document. Refer to the Tax Office Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

What this Ruling is about

1. This Ruling considers the meaning of 'business' of 'primary production' in the *Income Tax Assessment Act 1997* (ITAA 1997). It provides a guide to the indicators that are relevant to whether or not a person is carrying on a business of primary production. It also indicates the extent to which the Australian Taxation Office ('ATO') is able to provide further guidance to taxpayers on this question with private rulings.
2. The phrase 'carrying on a business of primary production' appears in a number of provisions in the ITAA 1997 and the *Income Tax Assessment Act 1936* (ITAA 1936). **However, this Ruling does not consider the detailed operation of any of these provisions.**

Class of person/arrangement

3. This Ruling applies to persons who carry on activities which might be described as 'primary production' in the ITAA 1997 (see the definition in paragraph 8 below).
4. The Ruling does not deal with the situation of a taxpayer who receives a payment from a one-off transaction, where there is no question as to whether he/she is carrying on a business.

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Other relevant Rulings and Determinations

5. The following Taxation Rulings and Taxation Determinations consider whether specific activities come within the meaning of primary production:

- Income Tax Ruling IT 219 - artificial breeding services;
- Income Tax Ruling IT 2006 - kelp harvesting;
- Taxation Ruling TR 95/6 - forest operations;
- Taxation Determination TD 93/39 - beach worming;
- Taxation Determination TD 93/95 - live sheep export.

6. Taxation Ruling TR 2008/2 expresses our views on a number of issues to do with the horse industry and when a taxpayer might be considered to be carrying on a business of primary production with respect to horses.

Date of effect

7. This Ruling applies to years commencing both before and after its date of issue. However, the Ruling does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Ruling (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

Ruling

What is primary production

8. Subsection 995-1(1) of the ITAA 1997 defines 'primary production business' as carrying on a business of:

- (a) cultivating or propagating plants, fungi or their products or parts (including seeds, spores, bulbs and similar things), in any physical environment; or
- (b) maintaining animals for the purpose of selling them or their bodily produce (including natural increase); or
- (c) manufacturing dairy produce from raw material that you produced; or
- (d) conducting operations relating directly to taking or catching fish, turtles, dugong, bêche-de-mer, crustaceans or aquatic molluscs; or

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- (e) conducting operations relating directly to taking or culturing pearls or pearl shell; or
- (f) planting or tending trees in a plantation or forest that are intended to be felled; or
- (g) felling trees in a plantation or forest; or
- (h) transporting trees, or parts of trees, that you felled in a plantation or forest to the place:
 - (i) where they are first to be milled or processed; or
 - (ii) from which they are to be transported to the place where they are first to be milled or processed.

9. A person is carrying on a business of primary production for the purposes of the ITAA 1997 if:

- a. he/she produces 'primary production', as defined in subsection 995-1(1) of the ITAA 1997; and
- b. that activity amounts to the carrying on of a business.

10. Subsection 995-1(1) defines 'business' to include 'any profession, trade, employment, vocation or calling, but does not include occupation as an employee'. However, this definition simply states what activities may be included in a business. It does not provide any guidance for determining whether the nature, extent, and manner of undertaking those activities amount to the carrying on of a business. For this purpose it is necessary to turn to case law.

11. The cases provide a number of indicators that are relevant to determining whether primary production activities constitute the carrying on of a business. These indicators are set out below. The indicators are no different, in principle, from the indicators as to whether activities in any other area constitute the carrying on of a business.

Some indicators of carrying on a business of primary production

12. Whilst each case might turn on its own particular facts, the determination of the question is generally the result of a process of weighing all the relevant indicators. Therefore, although it is not possible to lay down any conclusive test of whether a business of primary production is or is not being carried on, the indicators outlined below provide general guidance. This is explained further at paragraph 25 of this Ruling.

13. The courts have held that the following indicators are relevant:

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- whether the activity has a significant commercial purpose or character; this indicator comprises many aspects of the other indicators (see paragraphs 28 to 38);
- whether the taxpayer has more than just an intention to engage in business (see paragraphs 39 to 46);
- whether the taxpayer has a purpose of profit as well as a prospect of profit from the activity (see paragraphs 47 to 54);
- whether there is repetition and regularity of the activity (see paragraphs 55 to 62);
- whether the activity is of the same kind and carried on in a similar manner to that of the ordinary trade in that line of business (see paragraphs 63 to 67);
- whether the activity is planned, organised and carried on in a businesslike manner such that it is directed at making a profit (see paragraphs 68 to 76);
- the size, scale and permanency of the activity (see paragraphs 77 to 85); and
- whether the activity is better described as a hobby, a form of recreation or a sporting activity (see paragraphs 86 to 93).

14. A taxpayer does not need to derive all his/her income from the primary production activity. The taxpayer may also be employed in some other occupation or profession. What is important is that the taxpayer's primary production activity amounts to the carrying on of a business. This activity is considered separately from any other employment or business carried on by the taxpayer. The fact that another business is carried on does not necessarily mean that the primary production activity is also a business.

15. We stress that no one indicator is decisive (*Evans v. FC of T* 89 ATC 4540; (1989) 20 ATR 922), and there is often a significant overlap of these indicators. For example, an intention to make a profit will often motivate a person to carry out the activity in a systematic and organised way, so that the costs are kept down and the production and the price obtained for the produce are increased.

16. The indicators must be considered in combination and as a whole. Whether a business is being carried on depends on the 'large or general impression gained' (*Martin v. FC of T* (1953) 90 CLR 470 at 474; 5 AITR 548 at 551) from looking at all the indicators, and whether these factors provide the operations with a 'commercial flavour' (*Ferguson v. FC of T* (1979) 37 FLR 310 at 325; 79 ATC

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4261 at 4271; (1979) 9 ATR 873 at 884). However, the weighting to be given to each indicator may vary from case to case.

17. Subject to all the circumstances of a case, **where an overall profit motive appears absent and the activity does not look like it will ever produce a profit, it is unlikely that the activity will amount to a business.**

18. The following table provides a summary of the main indicators of carrying on a business. The last three items shown are factors which support the main indicators.

Indicators which suggest a business is being carried on	Indicators which suggest a business is not being carried on
a significant commercial activity	not a significant commercial activity
purpose and intention of the taxpayer in engaging in the activity	no purpose or intention of the taxpayer to carry on a business activity
an intention to make a profit from the activity	no intention to make a profit from the activity
the activity is or will be profitable	the activity is inherently unprofitable
repetition and regularity of activity	little repetition or regularity of activity
activity is carried on in a similar manner to that of the ordinary trade	activity carried on in an ad hoc manner
activity organised and carried on in a businesslike manner and systematically - records are kept	activity not organised or carried on in the same manner as the normal ordinary business activity - records are not kept
size and scale of the activity	small size and scale
not a hobby, recreation or sporting activity	a hobby, recreation or sporting activity
a business plan exists	there is no business plan
commercial sales of product	sale of products to relatives and friends
taxpayer has knowledge or skill	taxpayer lacks knowledge or skill

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Private rulings

19. A person can apply for a Ruling under Division 359 of Schedule 1 to the *Taxation Administration Act 1953* (TAA) on whether he/she is carrying on a business: (see TR 2006/11).
20. A person may seek a private ruling on the application of a tax law to a particular primary production activity.
21. [Omitted.]
22. An application should contain 'sufficient information' to enable the Commissioner to give the ruling. 'Sufficient information' in relation to a private ruling, where the matter(s) in issue include the carrying on of a business of primary production, includes information which covers the indicators set out at paragraph 13 (see also paragraphs 104 to 109).

Explanations and examples

Indicators of a business of primary production

23. There are no hard and fast rules for determining whether a taxpayer's activities amount to the carrying on of a business of primary production. The facts of each case must be examined. In *Martin* at CLR 474; AITR 551 Webb J said:

'The test is both subjective and objective: it is made by regarding the nature and extent of the activities under review, as well as the purpose of the individual engaging in them, and, as counsel for the taxpayer put it, the determination is eventually based on the large or general impression gained.'

24. The nature of the activity, the taxpayer's intention and the method of operation help determine whether a business of primary production is being carried on. Many of the relevant indicators are stated in the decision of the Full Federal Court in *Ferguson*. Bowen CJ and Franki J said in their joint judgment at FLR 314; ATC 4264-4265; ATR 876-877:

'Section 6 of the *Income Tax Assessment Act* [1936] defines 'business', stating that it includes any profession, trade, employment, vocation or calling, but does not include occupation as an employee. This does not afford much assistance in the present case. It is necessary to turn to the cases. There are many elements to be considered. The **nature of the activities**, particularly whether they have the **purpose of profit-making**, may be important. However, an immediate purpose of profit-making in a particular income year does not appear to be essential. Certainly it may be held a person is

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carrying on business notwithstanding his profit is small or even where he is making a loss. **Repetition and regularity** of the activities is also important. However, every business has to begin, and even isolated activities may in the circumstances be held to be the commencement of carrying on business. Again, **organization of activities in a businesslike manner, the keeping of books, records and the use of system** may all serve to indicate that a business is being carried on. The fact that, concurrently with the activities in question, the taxpayer carries on the practice of a profession or another business, does not preclude a finding that his additional activities constitute the carrying on of a business. The **volume of his operations and the amount of capital employed** by him may be significant. However, if what he is doing is **more properly described as the pursuit of a hobby or recreation or an addiction to a sport**, he will not be held to be carrying on a business, even though his operations are fairly substantial.' (emphasis added)

25. In *Evans*, Hill J agreed that no one indicator could determine whether a business is being carried on. He said at ATC 4555; ATR 939:

"The question of whether a particular activity constitutes a business is often a difficult one involving as it does questions of fact and degree. Although both parties referred me to comments made in decided cases, each of the cases depends upon its own facts and in the ultimate is unhelpful in the resolution of some other and different fact situation.

There is no one factor that is decisive of whether a particular activity constitutes a business. As Jessel M.R. said in the famous dictum in *Ericksen v. Last* (1881) 8 Q.B. 414 at p.416:

"There is not, I think, any principle of law which lays down what carrying on trade is. There are a multitude of things which together make up the carrying on of trade."

Profit motive (but see cf. *I.R. Commrs v. Incorporated Council of Law Reporting* (1888) 22 Q.B. 279), scale of activity, whether ordinary commercial principles are applied characteristic of the line of business in which the venture is carried on (*I.R. Commrs v. Livingston* (1927) 11 T.C. 538), repetition and a permanent character, continuity (*Hope v. Bathurst City Council* 80 ATC 4386 at p. 4390; (1980) 144 C.L.R. 1 at p. 9; *Ferguson v. FC of T* 79 ATC 4261 at p. 4264), and system (*Newton v. Pyke* (1908) 25 T.L.R. 127) are all indicia to be considered as a whole, although the absence of any one will not necessarily result in the conclusion that no business is carried on.'

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26. From the judgments it is clear that the relevant indicators of whether a business of primary production is being carried on by a taxpayer are:

- does the activity have a significant commercial purpose or character?
- does the taxpayer have more than a mere intention to engage in business?
- is there an intention to make a profit or a genuine belief that a profit will be made? Will the activity be profitable?
- is there repetition and regularity in the activity? i.e., how often is the activity engaged in? How much time does the taxpayer spend on the activity?
- is the activity of the same kind and carried on in a similar way to that of the ordinary trade?
- is the activity organised in a businesslike manner?
- what is the size or scale of the activity?
- is the activity better described as a hobby, a form of recreation or a sporting activity?

27. **Note:**

- The following Explanations and Examples have generally been designed to highlight the importance or significance of one indicator or several indicators in certain situations, before considering the next indicator.
- The Examples are not meant to detract from our view that all the relevant indicators need to be considered when deciding whether a primary production activity amounts to a business.
- Similarly, the amount of detail contained in the Examples is well short of the amount of information needed to properly determine the question of whether the taxpayer is carrying on a business of primary production. Refer to *CTC Resources NL v. FC of T* 94 ATC 4072; (1994) 27 ATR 403 about the need for sufficient information, and note, for example, that the High Court in *Hope* could not determine the question of whether the activities amounted to a grazing business on the case stated before the court.
- The Examples are not intended to set a minimum number of plants or animals, required by a taxpayer before he/she can show that he/she is carrying on a business of primary production.

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Significant commercial purpose or character

28. It is frequently those taxpayers, who earn income from employment or other sources and/or enter into some sort of primary production activity in a small way, who want to show that they are in a business of primary production. These taxpayers usually claim deductions for losses for taxation purposes in the first years of being involved in this activity. In showing that a business is being carried on, it is important that the taxpayer is able to provide evidence that shows there is a significant commercial purpose or character to the primary production activity, i.e., that the activity is carried on for commercial reasons and in a commercially viable manner.

29. The phrase 'significant commercial purpose' is referred to by Walsh J in *Thomas v. FC of T* 72 ATC 4094; (1972) 3 ATR 165, (refer to paragraph 81) and discussed further by Gibbs CJ and Stephen J in *Hope*. The 'significant commercial purpose or character' indicator is closely linked to the other indicators and is a generalisation drawn from the interaction of the other indicators. It is particularly linked to the size and scale of activity (refer to paragraphs 77 to 85), the repetition and regularity of activity (refer to paragraphs 55 to 62) and the profit indicators (refer to paragraphs 47 to 54). A way of establishing that there is a significant commercial purpose or character is to compare the activities with those of a taxpayer who is carrying on a similar activity that is a business. Any knowledge, previous experience or skill of the taxpayer in the activity, and any advice taken by the taxpayer in the conduct of the business should also be considered but are not necessarily determinative: see *Thomas*. In that case, Walsh J found that the taxpayer's activities in growing macadamia nut trees and avocado pear trees amounted to the carrying on of a business. The court was influenced by the scale of the activity, and the taxpayer's expectation of an ongoing financial return. Consideration should also be given to whether the taxpayer is a pioneer in the activity or has developed a new method of undertaking the activity, whether successful or not.

30. In order to show that there is a significant commercial purpose or character we suggest that it may help to know whether the taxpayer has:

- drawn up a business plan (refer to paragraphs 110 to 115);
- where the taxpayer is not an expert, sought expert advice from the relevant authorities, experienced farmers or agents that work in the area of primary production that the taxpayer intends to carry on;

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- where the taxpayer is not an expert, obtained technical literature on the activity which the taxpayer intends to carry on;
- obtained soil and water analyses of the land that will be used for the activity;
- established that his/her land is suitable for the activity which the taxpayer intends to carry on;
- considered whether there is a market for his/her product and looked into potential markets for the product (the taxpayer is more likely to be regarded as carrying on a business if he/she sells in a commercial market instead of casual sales to relatives, friends or the public);
- investigated properly the capital requirement of the venture and has a plan that shows how that capital will be obtained and used;
- conducted research into the activity. This should confirm that profits can be expected based on the market prospects, the expected level of production and the running costs of the business (support for this research by reference to authenticated source material assists the taxpayer);
- ensured that the size and scale of the activity is sufficient for a commercial enterprise;
- complied with any legal requirements, i.e., that he/she has obtained any necessary licences, permits and registrations required to operate on a commercial level or can show that these requirements can and will be complied with at the appropriate time, e.g., at the time that produce becomes available for sale; and
- an intention to make a profit. (This could be shown, for example, by a business plan. Further, the taxpayer should have a reasonable belief that the activity is likely to generate a profit.)

These suggestions will assist the taxpayer to show that he/she is carrying on a business of primary production. It will assist the taxpayer if he/she is able to provide evidence in writing to support these activities and plans.

Example 1 - significant commercial purpose or character

31. Mark, a barrister, and his wife Tina, a medical researcher, bought 8 hectares of land on which they built a home. They realised that the land was fertile and capable of producing fruit. Mark spent a

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year seeking advice from the Department of Primary Industries and local farmers. He collected technical literature on citrus farming and obtained soil and water analyses of the land which showed the land was fertile and suitable for the intended activity. He drew up a business plan and a budget of capital and recurrent costs. After clearing the land he and Tina planted 700 mandarin trees, 700 orange trees and 700 lemon trees. They did not expect to make a profit for eight years. Mark also installed an irrigation system. Mark and Tina spent many months investigating the market for citrus fruit and established that there would be no problems in selling their product to wholesalers if it was of good quality. They complied with all registration and licensing requirements. The trees grew well. Mark and Tina devoted a substantial part of their weekends to looking after the trees. They employed casual labour to spray for weeds and pests and to prune the trees. But, before they received any income from the sale of fruit, the trees were destroyed by fire. Were Mark and Tina carrying on a business of citrus fruit farming?

32. Yes - despite no income being gained - because:

- the scale of their activity was far in excess of their personal needs, and large enough to ensure the venture would be profitable;
- there was a clear intention to make a profit, even though this would take some time to occur;
- the intention to make a profit was based on reasonable grounds and backed up by appropriate research;
- there were likely to be buyers for their produce for some time ahead;
- the trees were looked after in a manner consistent with business operations;
- they established and conducted the activity in a businesslike manner;
- they asked for and followed advice from professionals; and
- there was an overall permanence about their activity, and the trees would have yielded fruit for a number of years.

33. What if Mark and Tina had not done the above research and analysis, had only planted a small number of different types of trees to test which would grow best, and were still investigating the likelihood of potential buyers? This would suggest that their activity was only of a 'preliminary or preparatory' nature and did not amount to the carrying on of a business (refer to paragraph 41).

(Note: refer to paragraph 27.)

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Example 2 - significant commercial purpose or character

34. Nick, a tax lawyer and avid fisherman, owned a 60-foot yacht which he used to go fishing. Several years ago he took advantage of an opportunity to purchase a commercial fishing licence. He rescheduled other commitments so he could spend every second weekend fishing. His crew comprised his sons, David and Michael, and a couple of their acquaintances. Usually Nick and his crew were successful and caught a lot of fish. The crew were paid with fish and the remaining fish were sold to a fish wholesaler. Nick had not conducted any research into the market or methods of fishing. He fished for the best sport fish, and was not concerned with finding fish with the best market returns. Nick had no business plan and was not particularly worried whether his costs were covered by the sale of the fish or not. Further, trips were only made in sunny conditions. Was Nick carrying on a business of fishing?

35. No, this does not appear to be a business. Where the activity is one in which many other people take part for sport or recreational purposes we believe there is a need to show a strong 'commercial flavour' about the activity before it would ordinarily be regarded as a business (refer to paragraph 86). In this case:

- there was no apparent intention to make a profit;
- the activity lacked the degree of organisation and system that would be found in the activities of people who normally would be regarded as carrying on a business of fishing;
- the scale of the activity was not small and exceeded the personal needs, but this did not outweigh the sporting or recreational motive behind the fishing trips; and
- similarly, the trips were conducted regularly, as were sales of the fish, but this also could be explained by the fact that Nick just likes to go fishing often.

(Note: refer to paragraph 27.)

Example 3 - significant commercial purpose or character

36. Naida and her family kept twelve chickens. Twelve was the minimum that she liked to have around. She knew that her relatives and friends liked her home grown eggs, especially the double yolks that were often produced. The chickens produced about six dozen eggs per week. Of these Naida and her family consumed one dozen. She sold the remaining five dozen eggs to relatives and friends. She found that after taking into account her direct feed costs she usually

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managed, in her estimation, to make a modest profit of \$5.00 per week. Was Naida carrying on the business of egg production?

37. No. Even though she had repetition and regularity in her operations and was making a modest gross profit:

- she was not conducting the activity in the same way as that of a commercial poultry farmer;
- she did not try to sell in a commercial market;
- she did not seek the best price for her eggs;
- she did not sell chickens that were culled because of falling productivity;
- the scale of her operations were such that she could never produce a net profit;
- she had not conducted any research into the egg industry; and
- she had not looked at the full costs of production and distribution in determining the commercial viability of her enterprise.

38. If Naida's activities changed significantly and she: had considerably more chickens; sold the eggs to the public at large at market prices or to retail egg sellers; and established by research that this level of activity was profitable after taking all her costs into account; this would point to a significant commercial character and a profit motive. She may then be carrying on a business of egg production.

(Note: refer to paragraph 27.)

The intention of the taxpayer

39. The intention of the taxpayer in engaging in the activity is a relevant indicator: see *Thomas*. However, a mere intention to carry on a business is not enough. There must be activity. Brennan J in *Inglis v. FC of T* 80 ATC 4001 at 4004-4005; (1979) 10 ATR 493 at 496-497 said that:

'The carrying on of a business is not a matter merely of intention. It is a matter of activity. ... At the end of the day, the extent of activity determines whether the business is being carried on. That is a question of fact and degree.'

See also *J&R O'Kane & Co v. IR Commissioners* (1920) 12 TC 303 at 347 and *Case K9* 78 ATC 98 at 103; 22 CTBR (NS) *Case 29* at 302.

40. This indicator is particularly related to:

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- whether the activity is preparatory or preliminary to the ultimate activity;
- whether there is an intention to make a profit; and
- whether the activity is better described as a hobby or the pursuit of a recreational or sporting activity.

Preparatory activities

41. Sometimes a taxpayer may have incurred expenses before commencing a particular business of primary production. For example, expenses associated with experimental or pilot activities which do not amount to a business and do not result in any assessable income being produced are not deductible: see *Softwood Pulp and Paper Ltd v. FC of T* 76 ATC 4439; (1976) 7 ATR 101 and *Goodman Fielder Wattie Ltd v. FC of T* 91 ATC 4438; (1991) 22 ATR 26. Experimental or pilot activities of this nature should be distinguished from the activities in *Ferguson*, which were found to have a sufficient commercial character to be regarded as a business in their own right. However, where a business has commenced, expenses may be deductible even if no income is derived in the relevant year: see *Thomas*.

Example 4 - the intention of the taxpayer

42. Pat and Laurie purchased 1,500 acres of rural land in 1980. They heard of an experimental variety of cattle which was bred on the other side of the country. Their friends told them that if this breed became successful they might make a lot of money from establishing a herd. Through friends, they arranged for the transport of one steer to their property. This steer remained on the property from 1980 to 1985 when it died due to lack of veterinary care. They took no further action with respect to the land, preferring to save for the purchase of either cows or sheep in the future. Were Pat and Laurie carrying on a business of primary production?

43. Pat and Laurie were not carrying on a business of primary production as:

- they had no clear purpose of how they would use the land to earn money;
- the one steer was purely experimental;
- the steer was incapable of breeding; and
- the scale of this activity was insufficient to constitute a business.

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44. Pat and Laurie's experimental activities did not have a sufficient commercial character to be regarded as a business. These activities pointed to a decision not yet having been made to carry on business and a lack of commitment at that time to do so (see also the contrasting situations described in *Example 1* at paragraph 31).

(Note: refer to paragraph 27.)

Example 5 - the intention of the taxpayer

45. Lindsay and Loretta bought 700 hectares of run down rural land in 1980. They intended to start a cattle farming business. Over the next five years they spent several thousand dollars on farm machinery. They used this to clear the land, build roads and mend fences. They also bought and erected some farm buildings. No income was derived from the property until 1986 when they stocked the property with 100 cattle. Were Lindsay and Loretta carrying on a business from 1980 to 1985?

46. No, because:

- the activities of Lindsay and Loretta from 1980 to 1985 would be regarded as preparatory to the commencement of business;
- whilst they had a clear purpose to engage in cattle farming, they recognised that certain things needed to be done to the land before they were able to buy the cattle and put them on the land;
- until 1986 there was no size or scale of the relevant activity in the sense that there was no stock; and
- there was no repetition or regularity of activity with respect to cattle farming until the land was stocked.

(Note: refer to paragraph 27.)

Prospect of profit

47. We consider this to be a very important indicator. In *Hope* at CLR 8-9; ATC 4390; ATR 236, Mason J indicated that the carrying on of a business is usually such that the activities are:

'... engaged in for the purpose of profit on a continuous and repetitive basis.'

In *Smith v. Anderson* (1880) 15 Ch D 247 at 258, Jessell MR said that:

'... anything which occupies the time and attention and labour of a man for the purpose of profit is business.'

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In *Case H11* 76 ATC 59 at 61; 20 CTBR (NS) *Case 65* at 603, the Chairman of Board of Review No 1 said:

'In determining whether a business is being carried on it is, in my view, proper to consider, as one of the elements, whether the activities under consideration could ever result in a profit ...'

48. We believe it is important that the taxpayer is able to show how the activity can make a profit. Stronger evidence of an intention to make a profit occurs when the taxpayer has conducted research into his/her proposed activity, consulted experts or received advice on the running of the activity and the profitability of it before setting up the business. This was the situation in *FC of T v. JR Walker* 85 ATC 4179; (1985) 16 ATR 331. However, it is not necessary for the primary production activities to make a profit in every year of income in order to classify the activities as a business of primary production. Thus, a taxpayer may be carrying on a business of primary production even though he/she is making a small profit or a loss in any given year of income.

49. The situation may arise where a taxpayer is carrying on a business and has an intention to make a profit but the objective evidence is such that a profit is unlikely to be made in the short term. Bowen CJ and Franki J in *Ferguson* at ATC 4264; ATR 876 stated that '... an immediate purpose of profit-making in a particular income year does not appear to be essential ...'. Thus, where short term losses are expected it may be that a business is nevertheless being carried on: see *Tweddle v. FC of T* (1942) 7 ATD 186; (1942) 2 AITR 360.

50. Where an activity is carried on and the objective evidence is that it is unlikely a profit will ever be made, this fact in itself does not necessarily mean that a business is not being carried on, if the taxpayer believes that the activity will become profitable. As Walsh J said in *Thomas* at ATC 4100; ATR 171:

'It is not in doubt that he made mistakes. But many persons carry on a business for the competent conduct of which they have not previously acquired much knowledge or experience.'

See also *Tweddle's* case at ATD 190; AITR 364. Taxpayers need to show that the other indicators of business are present in sufficient strength to outweigh any objective view that the activity may be inherently unprofitable. A number of Board of Review and Administrative Appeals Tribunal decisions show that a taxpayer in this situation bears a heavy onus: see *Case M50* 80 ATC 349; 24 CTBR (NS) *Case 24*; *Case K9* 78 ATC 98; 22 CTBR (NS) *Case 29*; *Case L16* 79 ATC 84; 23 CTBR (NS) *Case 20* and *Case L22* 79 ATC 106; 23 CTBR (NS) *Case 25*.

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Example 6 - prospect of profit

51. For a number of years Peter used his four hectare property to cultivate 100 pawpaw trees on the outskirts of Fremantle. He had planted the trees on his return from a trip to the tropics. He had thought that there must be a good market for locally grown tropical fruit in Fremantle. However, he had not conducted any research into the growing conditions they would need, including climate, their care or potential markets. He had not undertaken any soil analysis. He was always unable to market the limited amount of produce that he did obtain, because of its poor quality. His only disposals of fruit were to friends and relatives for which no money was received. Expert advice was that commercially saleable fruit would never grow in the location, and that there was little likelihood of a profit ever being made. Was Peter carrying on a business of primary production?

52. No. Not only was there no reasonable expectation that the activity would be profitable, there was also:

- a lack of system and organisation about the activity, including inadequate preparation;
- a lack of use of the type of methods commercial pawpaw growers use, including suitability of location for growing the fruit; and
- a general lack of 'significant commercial purpose or character' about the activity.

(Note: refer to paragraph 27.)

Example 7 - prospect of profit

53. Fay's friends were avid growers of olive trees and were making a small profit on the sale of olive oil they produced from their olives. Fay decided to grow olive trees on her modest property. She researched the varieties and selected those best for olive oil production. Fay planted 50 olive trees on her property. She knew they were hardy trees which required minimum maintenance. She spent the minimum amount of time necessary to care for the trees. She had spoken to her friends and had calculated that after four years she would be able to make a profit on the production of olive oil from the olives she picked. The trees thrived. In the fifth year after planting, a sizeable crop was produced. Fay employed casual labour to pick the olives, borrowed a friend's trailer and took the olives to be pressed. She sold the barrels of olive oil to friends, work colleagues and members of the public who responded to her newspaper advertisements. She derived a substantial profit in that year, which she was told by her friends in the industry was typical. Was Fay carrying on a business of olive production?

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54. Yes. The activities were carried out with a purpose to make a profit, even if no income was made in the first four years of operation. In addition:

- Fay clearly had a plan to make the activity succeed. She had conducted research by consulting friends in the industry and the local growers association;
- though the activity was small it was organised. By its nature the activity required minimum maintenance. It was not carried on in an ad hoc manner. Rather, it was carried on in a manner similar to that of other olive producers; and
- there was repetition and regularity of the activity.

(Note: refer to paragraph 27.)

Repetition and regularity

55. It is often a feature of a business that similar sorts of activities are repeated on a regular basis. The repetition of activities by the same person over a period of time on a regular basis helps to determine whether there is the 'carrying on' of a business. For example, in *Hope* the 'transactions were entered into on a continuous and repetitive basis', such that the taxpayer's activities 'manifested the essential characteristics required of a business'. Similarly, in *JR Walker* the court held that there was repetition and regularity in the taxpayer's activities directed to the breeding of high quality Angora goats and to keeping up with the latest information on Angora goats.

56. The taxpayer should undertake at least the minimum activities necessary to maintain a commercial quantity and quality of product for sale. It may be that there are no minimum levels for this activity. Where there are minimum levels necessary for this activity which the taxpayer fails to maintain, it may be that for a period the taxpayer has ceased to carry on a business of primary production.

Example 8 - repetition and regularity

57. George owned a pastoral property, 'Wytelaidee', which consisted of 600 hectares. He had acquired the property in 1970. Two hundred hectares were suitable for cultivation and the rest was open grazing country. Cattle and sheep were grazed for a number of years. George grew his own feed for the animals and also grew 200 olive trees. The cattle and sheep were the main primary production activities. The olive trees were a secondary activity because they required limited care. George did ensure that they were adequately sprayed and watered. The olives were bottled and pickled or olive oil

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was extracted from them, and the produce was sold on a regular basis. He usually made a profit from his primary production activities.

58. However, George was drawn into a legal battle over 'Wytelaidee' in 1990. He was unable to spend any time on the property and sold all stock, plant and equipment to finance the legal battle. The olive trees were left untended and grew wild. The olives were left to rot. No income was derived from the property from 1991 until the legal battle ended in 1995. George always intended to recommence operations on 'Wytelaidee' after the legal battle. Was George carrying on a business of primary production for the years 1991 to 1995?

59. No. As the property was left untended for the period and stock and equipment was sold there was no activity being carried on; thus there was a lack of:

- any size or scale of activity;
- an intention to make a profit;
- repetition or regularity of activity;
- a significant commercial purpose.

60. If George had made arrangements for the olives to be picked, processed and sold, he may have been able to claim that he continued to carry on a business of olive production and sale.

(Note: refer to paragraph 27.)

Example 9 - repetition and regularity

61. John, a commercial lawyer, owned 500 apricot trees on a weekend retreat property located 250 km from his home in Brisbane. The trees had been in commercial production when he bought the property. John knew at the outset that he could, with proper management, run the enterprise at a profit. However, due to his employment, he was busy in the city and was unable to attend to the trees on a regular basis. Thus, he did not spray the trees for pests, irrigate or prune them. He decided that he could not be bothered hiring someone to look after the trees. He picked what he could in the hope of making some return but owing to the lack of care the apricots were not of a suitable quality for the commercial market. They were rejected by a wholesaler he approached after he had picked a small quantity of the fruit. He left what fruit he had picked with an honesty box on the side of the road and estimated that he got \$50. Was John carrying on a business of apricot growing?

62. No, despite the impression given by the size and scale of his activity. Further:

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- there was no repetition and regularity of activities that would produce a commercial quantity and quality of fruit for sale;
- there was no clear evidence that he intended to make a profit from this activity;
- the way he conducted it meant it was extremely unlikely that he would ever cover his costs;
- he did not adopt methods used by commercial orchardists; and
- there was a general lack of system and organisation about his apricot growing activity.

(Note: refer to paragraph 27.)

Is the activity of the same kind and carried on in a manner that is characteristic of the industry?

63. An activity is more likely to be a business when it is carried on in a manner similar to that in which other participants in the same industry carry on their activities. Lord Clyde in *IR Commissioners v. Livingston* at TC 542 said that:

'... the test, which must be used to determine whether a venture ... is, or is not, "in the nature of trade", is whether the operations involved in it are of the same kind, and carried on in the same way, as those which are characteristic of ordinary trading in the line of business in which the venture was made.'

64. In considering this indicator the following factors might be compared with the characteristics of others engaged in the same type of business:

- the volume of sales. If there is a small number of sales it is less likely that a business is being carried on. The volume of sales should be capable of producing a profit at some time. However, allowance is made for droughts, fires and other uncontrollable events which may effect the volume of sales. We also accept that in the early stages of an activity, sales may be low;
- the types of customers the taxpayer sells his/her product to - wholesalers, retailers, the public at large, or friends or relatives - and the manner in which this marketing takes place;
- the sort of expenses incurred by the taxpayer;
- the amount invested in capital items;

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- previous experience of the taxpayer. A taxpayer who does not have any knowledge or experience may be expected to have sought advice from experts. However, it is recognised that a taxpayer may be a pioneer in the industry. The taxpayer may have conducted research into the activity, decided that the traditional approach is wrong. He/she may be trying to conduct the activity with a view to profit in a new but businesslike way; and
- the activity should also be compared with that of a keen amateur. The sales of a keen amateur may only be a way of obtaining 'new' funds to continue with the personal interest.

65. The aspects mentioned in the above paragraph would be compared to the same aspects of how others in the industry conduct their business of primary production. The activity should also be compared to that of the activity of a keen amateur. A taxpayer who:

- has no knowledge or experience of the primary production activity that he/she intends to enter into; and
- does not seek advice or conduct research; and
- starts the activity;

may have difficulty in proving that he/she is carrying on a business of primary production. This will be especially so when the above points add to a general impression that there is no profit motive behind the activity and that there is very little likelihood that the activity will ever be profitable.

Example 10 - activity of same kind and carried on in a manner characteristic of industry

66. Geoff and Heather purchased a small property in the Adelaide Hills after returning from a holiday in Japan where they had noticed not only the sale price but also the remarkable size and flavour of the apples. They had determined that the land was suitable for apple trees. Both spent a considerable amount of time researching, talking to experts and collecting technical literature on apples for the Japanese market. They determined from discussion with wholesalers that if their apples were of superior quality they would have a ready market and would be able to make a substantial profit from selling them. They both changed their employment from full-time to part-time so that at all times one of them was on the property. They selected varieties for the Japanese market based on their research and planted one hundred trees. Heather devised a unique irrigation system which they installed. They carefully sprayed and pruned the trees and protected the growing fruit from the elements. From their research

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they ensured they would meet stringent overseas market rules regarding spraying and quality, etc. They distinguished their product by individually wrapping their fruit and putting 'quality one' labels on them. They made losses for four years in a row. In the fifth year, although making significant sales, their production was still insufficient to generate a profit. However, based on current market conditions and anticipated production levels, they were confident that in future years they would make a profit. Were Geoff and Heather carrying on a business of apple production?

67. Yes, because despite the size and scale of operation and the fact that the activity was not carried on in a similar manner to that of the ordinary trade of apple growing:

- there was an apparent significant commercial purpose or character to their activity;
- there was a clear intention to make a profit and their research had shown that the activity would be profitable;
- despite lacking previous experience of apple production they conducted specific research into the methods required to succeed in servicing a specialty market;
- there was repetition and regularity of the activity given the amount of time they spent attending to the trees;
- there was an intention to engage in business and a plan for its successful and profitable operation; and
- unlike Peter in *Example 6* (paragraph 51), Geoff and Heather are able to show that they are pioneering new methods or servicing specialty markets.

(Note: refer to paragraph 27.)

Organisation in a businesslike manner and the use of system

68. In *Newton v. Pyke* the court suggested that business should be conducted systematically. A business is characteristically carried on in a systematic and organised manner rather than on an *ad hoc* basis. An activity should generally conform with ordinary commercial principles to amount to the carrying on of a business.

69. In *Ferguson* the Full Federal Court was influenced by the systematic and organised nature of the taxpayer's activities. Fisher J said at FLR 324-325; ATC 4271; ATR 884:

'... the venture as a whole had a commercial flavour, was conducted systematically and, ... in a business like manner. It could not be said that there was anything haphazard or disorganised in the way in which he carried out the activity.'

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In *JR Walker* Ryan J was satisfied, at ATC 4182; ATR 335, that the taxpayer was in the business of goat breeding as he had 'organised his activities in a business-like way through the keeping of books of account'.

70. The weight that is attached to this indicator will depend on the facts of the situation and a taxpayer may still carry on a business of primary production despite having poor organisational skills.

Example 11 - organisation in a businesslike manner and the use of system

71. Rob had a passion for Topiary plants. He had 500 plants which he had potted and tended on his modest property. There was no local market for the plants. The nearest major city was Melbourne but it was too expensive for him to transport the plants to the city on a regular basis to sell them. He tried unsuccessfully to sell the plants, on irregular occasions, at the Melbourne markets. Rob had no credit facilities and only accepted cash. Was Rob carrying on a business of primary production?

72. No, because:

- his activity did not appear to have an element of commerciality;
- he had not conducted research into the activity, potential markets, or the profitability of the activity;
- his markets were restricted;
- he placed restrictions on his ability to sell the plants by his inability to cater for anything other than cash;
- he had no plan or system in place to make the activity succeed; and
- he engaged in the activity because of his passion for the plants.

(Note: Refer to paragraph 27.)

73. In some cases it is essential that specific records are kept, e.g., breeding records for a stud farm. Other matters that may demonstrate that a systematic approach is taken to record keeping are the keeping of records of:

- inputs and costs of production;
- seasonal and other conditions affecting production; and
- how growing and market conditions have varied.

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74. For taxation purposes, certain records are required to be kept where a business is being carried on. The keeping of records which monitor the flow of cash, stock and production assists in showing that a business is being carried on (see also Taxation Ruling TR 96/7 and the record keeping provisions of section 262A of the ITAA 1936).

Example 12 - organisation in a businesslike manner and the use of system

75. Leon owned a property of twenty hectares in Queensland, an hour's drive from his home. He bred race horses and had begun with six brood mares, a stallion and a colt which he had built into a modest-sized stable. Over the years he had conducted extensive research into horse breeding activities and had collected a great deal of literature. Through his contacts with local and overseas breeders he developed a number of ideas for a successful and profitable breeding program. He had established that he could make a reasonable profit, had identified relevant markets and had a business plan. He had set up a computer system to monitor the breeding program, costs and the record keeping requirements of the ITAA 1936. His activity was well organised and conducted in a systematic manner. Was Leon carrying on a business of primary production?

76. Yes. Given the presence of the other indicators, the fact that he carried on his activity in an organised and systematic manner added weight to the conclusion that he was carrying on a business of horse breeding. See also the discussion in Taxation ruling TR 2008/2 dealing with issues relating to the horse industry.

(Note: refer to paragraph 27.)

Size or scale of the activity

77. The larger the scale of the activity the more likely it will be that the taxpayer is carrying on a business of primary production. However, this is not always the case. The size or scale of the activity is not a determinative test, and a person may carry on a business though in a small way (*Thomas* at ATC 4099; ATR 171).

78. For example, the case of *JR Walker* involved five Angora goats, two of which died. Whilst the scale was small, the court held that a goat breeding business was being carried on because there was a profit making purpose and repetition and regularity in the taxpayer's activities. Research, based on authenticated sources, showed that a profit could be made from the significant capital allocated to breeding stock.

79. In *JR Walker*, Ryan J said at ATC 4182; ATR 334:

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'... the respondent's activities had the purpose of profit making. ... There was also repetition and regularity in his activities. ... The activities of the taxpayer were limited but ... he maintained communications with the expert and he tried to make himself informed about market conditions through membership of the Angora Breed Society and reading publications ... He organised his activities in a business-like way through the keeping of books of account ...'

80. The scale of the activities may be small but still result in more produce than is required for the taxpayer's own domestic needs. Where this is so, and there is also an intent to profit from the activities and a reasonable expectation of doing so, a business may be carried on despite the scale.

81. Similarly, in *Thomas* at ATC 4099; ATR 171 Walsh J in the High Court said:

'But a man may carry on a business although he does so in a small way. In my opinion the appellant's activities in growing the trees ought not to be found to have been carried on merely for recreation or as a hobby. I leave out of account the pine trees, the growing of which did not have, I think, a significant commercial purpose or character. But the appellant in planting the avocado pear trees and the macadamia nut trees set out to grow them on a scale that was much greater than was required to satisfy his own domestic needs and he expected upon reasonable grounds that their produce would have a ready market and would yield, if the trees became established, a financial return which would be of a significant amount, with relatively small outlay of time and money, and that this return would continue for a very long time.'

82. The smaller the scale of the activity the more important the other indicators become when deciding whether a taxpayer is carrying on a business of primary production.

Example 13 - size or scale of the activity

83. See *Example 9* (John and his 500 apricot trees) at paragraph 61. In this example, despite the size/scale of activity by John, he was not carrying on a business of primary production.

(Note: refer to paragraph 27.)

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Example 14 - size or scale of the activity

84. See *Example 10* (Geoff and Heather and the Japanese apple market) at paragraph 66. In this example, Geoff and Heather carried on a business of very small scale apple production for the Japanese market. Their research has shown that their activities will result in a profit.

(Note: refer to paragraph 27.)

Example 15 - size or scale of the activity

85. See *Example 3* (Naida and her chickens) at paragraph 36. The small scale of her operations counted against there being a commercial purpose or character to the activities.

(Note: Refer to paragraph 27.)

Hobby or recreation

86. The pursuit of a hobby is not the carrying on of a business for taxation purposes. Money derived from the pursuit of a hobby is not regarded as income and therefore is not assessable. As was said in *Ferguson* at ATC 4265; ATR 877:

'... if what he is doing is **more properly described as the pursuit of a hobby or recreation or an addiction to a sport**, he will not be held to be carrying on a business, even though his operations are fairly substantial.' (emphasis added)

Expenses incurred in relation to the hobby activity are not allowable deductions. However, we recognise that a hobby can sometimes turn into a business.

87. Often it will be the case that there is a hobby when:

- it is evident that the taxpayer does not intend to make a profit from the activity;
- losses are incurred because the activity is motivated by personal pleasure and not to make a profit and there is no plan in place to show how a profit can be made;
- the transaction is isolated and there is no repetition or regularity of sales;
- any activity is not carried on in the same manner as a normal, ordinary business activity;
- there is no system to allow a profit to be produced in the conduct of the activity;
- the activity is carried on a small scale;

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- there is an intention by the taxpayer to carry on a hobby, a recreation or a sport rather than a business;
- any produce is sold to friends and relatives and not to the public at large.

Example 16 - hobby or recreation

88. Norm was a keen gardener. His two favourite vegetables were broccoli and pumpkin. He enjoyed growing these in his garden and exhibiting the larger specimens at vegetable shows for which he often won prizes. He had been doing this for the last twenty years. Norm always kept up with the latest advances in growing techniques of broccoli and pumpkin. He had always been keen to talk to other growers of the vegetables and had subscribed to the relevant magazines. He also stayed in regular contact with the Department of Primary Industries to keep up with the latest information about vegetable growing. Norm had no business plan. He kept no records of his expenses. His only intention was to grow the biggest and best broccoli and pumpkin. To this end he often experimented with different growing techniques. Usually he gave away his broccoli and pumpkin to relatives and friends. However, he found that in the last 12 months people approached him at the shows to purchase his prize winning specimens. He has been happy to sell these. Was Norm carrying on a business of primary production?

89. No. Rather his activities amounted to a hobby for the following reasons:

- the size and scale of his activity was small, as it was in his backyard;
- he had no plan or intention to make a profit and his activities were motivated by his passion for growing broccoli and pumpkins;
- his produce was usually given away to friends and family rather than sold to the general public; and
- records were not kept and the activity was not carried on in the same manner as that of the ordinary business activity of commercial pumpkin and broccoli growers.

90. As a result of being approached at shows, Norm realised that there was a potential market for his produce and that he could turn his hobby into a business. He developed a profit making intention. He worked out the economics of his activities and calculated that by using extra land he would make a profit. He rented a block of land on which he grew broccoli and pumpkins on a larger scale. He kept detailed records of his activities and established his markets mostly as a result

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of approaches by people to him. Was Norm carrying on a business of primary production?

91. Yes, Norm would be regarded as carrying on a business of primary production when the nature of the activity changed being a hobby to a business. At this time, in addition to his experience and skill in the activity:

- the activity had a profit making purpose;
- he expanded the size of the activity;
- he kept detailed records; and
- he established markets.

(Note: refer to paragraph 27.)

Example 17 - hobby or recreation

92. Richard was a musician and singer in a rock band. He was also interested in dressage. Richard owned a substantial land holding on which he bred horses to obtain better mounts for his dressage competitions. He trained his own horses. He belonged to the local dressage club and usually sold any unwanted and untrained offspring through his club and the local newspaper. The sale prices were well below the expenses associated with maintaining the horses. He conducted research into breeding and training techniques and tried to keep up to date with the latest information. He kept detailed records of breeding and all expenses associated with the horses. When the horses became too old to compete he put them out to pasture, as he could not bear to part with his old companions. Was Richard carrying on a business of horse breeding?

93. No, despite the keeping of records, the organisation, the repetition and regularity of activity and the research conducted, because:

- the activity was primarily motivated by his desire to compete and any returns were merely incidental to this purpose;
- no profit was made from the activity;
- there was no intention to carry on a business or to make a profit; the keeping of records, the research and the sales were all associated with Richard's dressage activities; and
- there was no significant commercial purpose or character to the activity.

(Note: refer to paragraph 27.)

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Application of all the indicators***Example 18 - Application of all the indicators***

94. George and Desi grew tired of living in the suburbs. They moved, with their two young children, to a 20 hectare property about 50 kilometres away from the capital city where they had lived. As part of their rural lifestyle they wanted to use their new property for primary production activities.

95. In July 1993 they planted oats, Japanese millet, phalaris and clover. The land was fertilised in expectation that they would be able to graze some beef cattle on it, fatten and sell them. They noted that a number of the larger properties in the area were used for this purpose.

96. Due to a shortage of funds, it was not until May 1994 that they purchased 10 cattle. They did no analysis of whether the grazing of beef cattle on their land would be profitable. George and Desi had no clear idea of what all their costs would be for such an activity. They spoke to a number of their neighbours about the maximum number of cattle that their land could carry, but they received conflicting advice. Most of the advice suggested however that they did not have enough land to make the venture profitable.

97. The first sale, of 5 head, was in March 1995. At that time Desi accepted a redundancy offer and applied herself full time to their cattle grazing activity. With the money from the pay-out she purchased 20 additional cattle on the advice of her neighbour (a cattle farmer for a number of years). At the same time she developed a plan based on expert advice from the Department of Primary Industries for maximising the carrying capacity of their land and achieving profitability. She travelled with neighbours and purchased 20 weaners, and she arranged to share costs with these neighbours in transporting their cattle to various markets for sale.

98. By June 1996, 35 more cattle had been sold and 10 were on hand. Market conditions were poor and the sale prices they received had not been much greater than the price they had paid. However, Desi calculated that they could cut their costs further and noted from the rural press that long term forecasts of beef prices were good. On the basis of improved prices and a doubling of the herd size, she calculated that their activities could produce a reasonable profit. With her redundancy money she calculated that they could buy an adjoining 20 hectares for this purpose.

99. Were George and Desi carrying on a business of cattle grazing? If so, when did this business commence?

100. This example is meant to illustrate the importance of considering all the indicators of whether a business is being carried on and how the facts related to some of those indicators can materially

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change over time. In this particular case there was a marked change in the character of the cattle grazing activity after March 1995.

101. Before March 1995 George and Desi were not carrying on a business of primary production because there was:

- little evidence of any system or organisation about the activity;
- doubt as to whether there was an overall profit-making purpose;
- a strong suggestion that the activity, as it was being conducted at that time, was inherently unprofitable; and
- little repetition or regularity about the activity, and the small scale of the activity.

102. After March 1995 there was a considerable change in the way that the cattle grazing activity was carried on. In particular, there was then:

- a clear focus on how to make a profit from the activity. This was demonstrated by the drawing up of a plan to make a profit based on expert advice, the search for the most profitable markets for the sale of the cattle and efforts to reduce the costs of obtaining and maintaining the cattle;
- an increase in repetition and regularity, particularly an increase in purchases and sales of cattle;
- more similarity between the activities of George and Desi and those of a person who would clearly be considered to be carrying on a business of cattle grazing; and
- a greater sense of permanency, and scale of the activity as evidenced by the purchase of the neighbouring property, together with a greater capacity to make the operations profitable.

103. We consider that from March 1995 George and Desi were carrying on a business of cattle grazing.

(Note: refer to paragraph 27.)

Private rulings

104. A person can obtain a Private Ruling under Division 359 of Schedule 1 to the TAA on whether he/she is carrying on a business (see TR 2006/11).

105. [Omitted.]

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106. [Omitted.]

107. [Omitted.]

108. An application should contain 'sufficient information' to enable the Commissioner to give the ruling. Where insufficient information is provided the Commissioner must request the relevant information under section 357-105 of Schedule 1 to the TAA. Where information has been requested and the applicant does not provide the information to the Commissioner within a reasonable time, the Commissioner may decline to make the Ruling: subsection 357-105(2).

109. 'Sufficient information' includes information which covers the eight indicators, and any other matter which the taxpayer considers relevant. We expect to see information about:

- purpose and intention - the reason the taxpayer has entered into the activity; whether the taxpayer is employed in some other area;
- profit motive and profitability of the activity - e.g., the existence of a business plan; the results of research on viability; realistic sales forecasts; cost projections until the activity is expected to become profitable; details of how capital is to be employed; the source and cost of funds; taxpayer's expertise in the activity;
- repetition and regularity of the activity - how much time is spent on the activity; a breakdown of the tasks that are performed on a regular basis; regularity of purchases and sales;
- activity of the same kind - such as descriptions of methods used in the activity with regard to cultivation, livestock raising, obtaining the relevant licences and complying with the relevant laws;
- organisation - how the activity is conducted; how and what records are kept; what advice is sought;
- the size and scale of the activity - e.g., the area of the land; details of any private residence on the land; details of improvements to the land such as fences and sheds, clearing and fertilising; details of equipment/plant purchase including depreciation schedules; the numbers of livestock involved; level of capital investment;
- whether the activity could be viewed as a hobby or recreation;
- **significant commercial purpose - this will generally follow from all of the above.**

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Business plan

110. We emphasise that, whilst a business plan will help a taxpayer to establish that he/she is carrying on a business of primary production, it is not compulsory. Nor will the existence of a business plan be conclusive evidence that the taxpayer's activity amounts to the carrying on of a business.

111. A business plan is particularly relevant to establishing that there is an intention to make a profit, that the activity will be profitable and that the activity has a significant commercial purpose. This is especially so where it is capable of authentication by reference to texts, publications by relevant authorities or organisations and local experience in the industry. A business plan may include many things. However, we recommend that the basic elements of the business plan should include information about:

- a description of the business;
- the markets to which the taxpayer proposes to sell and realistic estimates of quantity and volume of sales;
- income expected from the activity;
- the research that has been conducted by the taxpayer - e.g., who the taxpayer has spoken to, what literature he/she has collected; what previous knowledge he/she has;
- information about the property on which the taxpayer proposes to conduct the business - e.g., its area, distance from the taxpayer's home, whether irrigated, whether soil and water tested, whether rainfall sufficient for the activity;
- information about expected expenses and capital outlays - e.g., cost of travel, electricity, gas and water, cost of plant and equipment and stock; and
- information about how the taxpayer proposes to pay for the expenses and capital outlays - e.g., if the taxpayer takes out a loan what is the interest rate and how long will the loan take to repay.

Business plan example

112. *Business - Jeff's passionfruit*

2000 Passion fruit vines. To be planted beginning financial year 1996.

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Markets

Sell primary / A-grade fruit to Brisbane markets - up to 10 trays in good weeks, seconds, etc., for pulping and fruit juice markets.

Research

Spoke with local fruit growers about pests, etc., collected DPI information on types and spraying cycles. Passion Fruit Growers Association in Brisbane provided literature on the latest practices re growing passion fruit and which passion fruit varieties to grow given future markets. Obtained DPI copy of 'Passionfruit in Queensland'. Combined with my knowledge of farming from several years on a fruit tree farm I feel that I have the knowledge and time available to undertake the activity successfully.

Property

4 hectare block, 20 km from my home in Mackay, will require additional watering given varying rainfall. Existing bore water quality and quantity tested and found sufficient for my crop size. Irrigation to be installed. Soil tested and found to be suitable.

Expected expenses / outlays

Travel to block 3 times a week after work and weekends as needed. Estimate travel expenses using my existing utility will be \$3,500 a year - including delivery of produce. Estimate that about half of this will be deductible, when carrying bulky farm materials. Electricity will need to be connected for pump and shed lights with an estimated running cost of \$500 per year. These and other one-off expenses include:

Connection of electricity	\$1,000
Purchase of vines @ \$3.00 per vine	\$6,000
Installation of irrigation	\$1,000
Rent of tractor / post digger for trellises (from neighbour)	\$500
Posts / wire / for trellises and to fix up property fencing	\$1,500
Labour (brother will help on posts)	Free
Ride-on mower / spray unit (2nd hand)	\$3,500.

I will take out a loan of \$10,000 to cover the above expenses plus use my existing savings. Given my other income I should have the loan paid out in 5 years. The vines will last 5 years from the time of planting and then I will replace them.

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113. *Table of anticipated receipts and costs (in 1996 dollars)*

Year	1995/ 1996	1996/ 1997	1997/ 1998	1998/ 1999	1999/ 2000
Expected Sales					
A Grade (avg price)	0	2500	4000	4000	3000
Seconds (pulping)	2000	3000	5000	5500	6000
Gross Receipts	2000	5500	9000	9500	9000
Running Costs					
Accounting Fees	200	250	300	350	400
Bank Charges	50	50	50	50	50
Interest	1200	1000	800	600	300
Protective Clothing	50	50	50	50	50
Repairs and Maintenance / fuel	300	500	500	500	500
Motor Vehicle	1750	1750	1750	1750	1750
Telephone	100	100	100	100	100
Sprays and Chemicals	250	250	250	250	250
Rates and Taxes	300	325	350	375	400
General Expenses	200	200	200	200	200
Total Costs	4400	4475	4350	4225	4000
Net Profit / Loss on trading before write- off and depreciation	(2400) Loss	1025 Profit	4650 Profit	5275 Profit	5000 Profit

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114. *Depreciation and capital write-offs*

Depreciation on sprayer / mower, fences / improvements and trellises	960	960	960	960	960
Write-off of vines - Div 10F, starting 1 May 96	408 ¹	2400 ²	2400 ³	792 ⁴	
Write-off electricity connection costs (10 years - section 70A)	100	100	100	100	100
Write-off irrigation expense (3 years - section 75B)	333	333	334	Nil	Nil
Total Write-off and Depreciation	1801	3793	3794	1852	1060
Net Profit / Loss on trading after write-off and depreciation	(4201) Loss	(2768) Loss	856 Profit	3423 Profit	3940 Profit

Jeff approached his accountant who gave him some additional information on capital and equipment write-offs and depreciation. He suggested using sections 70A and 75B to write off the electricity connection and irrigation expenses and Division 10F to write-off the capital value of the vines, although he noted that this would produce timing differences compared with an accounting write-off. However, using these rates of write-off would mean that the outcome would produce a correct tax result. Jeff noted as part of his business plan that:

'I have not yet seen published any Division 10F "safe harbour" write-off rates issued by the Commissioner, so in my business

¹ Calculated from 1 May 1996: 62/365 days x \$6,000 capital cost x 40% rate for plants with 4 year life from date first become income producing - see section 124ZZI of the ITAA 1936.

² Full year write-off of \$6,000 capital cost @ 40% rate.

³ Full year write-off of \$6,000 capital cost @ 40% rate.

⁴ Write-off of balance of the \$6,000 over the 2 years and 183 days allowed for by section 124ZZI.

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plan calculation I will use a four year write-off of the cost of the vines, commencing from when they become income producing, which I estimate to be 1 May 1996.'

115. **Note:** This business plan example is an illustration only. It is not definitive of the deductions a taxpayer may claim or the calculation of profit.

Detailed contents list

116. Below is a detailed contents list for this Ruling:

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- TAA 1953 Sch 1 357-105
- TAA 1953 Sch 1 357-105(2)
- TAA 1953 Sch 1 357-110
- TAA 1953 Div 359

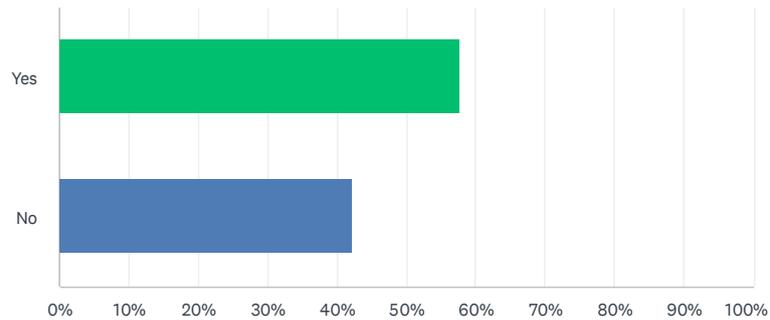
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- Softwood Pulp and Paper Ltd v. FC of T 76 ATC 4439; (1976) 7 ATR 101
- The Commissioners of Inland Revenue v. Livingston and Others (1927) 11 TC 538
- Thomas v. FC of T 72 ATC 4094; (1972) 3 ATR 165
- Tweddle v. FC of T (1942) 7 ATD 186; (1942) 2 AITR 360
- Case H11 76 ATC 59; 20 CTBR (NS) Case 65
- Case K9 78 ATC 98; 22 CTBR (NS) Case 29
- Case L16 79 ATC 84; 23 CTBR (NS) Case 20
- Case L22 79 ATC 106; 23 CTBR (NS) Case 25
- Case M50 80 ATC 349; 24 CTBR (NS) Case 24

Revenue & Rating Strategy and Hardship Policy Review

Q1 Our current rating differentials (i.e. categories of land that are rated at different levels) are: - General- Commercial/Industrial- Rural 1 (greater than 40 hectares in area)- Rural 2 (greater than 8 hectares and less than 40 hectares in area), and;- Vacant Residential. Do you believe these five categories are sufficient?

Answered: 71 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	57.75%	41
No	42.25%	30
TOTAL		71

Revenue & Rating Strategy and Hardship Policy Review

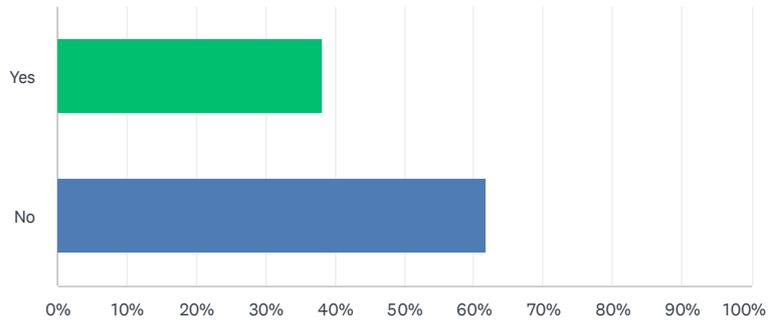
Q2 If you answered no, should there be more or less categories? Please detail.

Answered: 32 Skipped: 39

Revenue & Rating Strategy and Hardship Policy Review

Q3 Each of the current rating categories is given a weighting that forms part of the rates calculation. These weightings are as follows:- General 100% (this is used as a basis and cannot be changed)- Commercial/Industrial 135%- Rural 1 (greater than 40 hectares in area) 75%- Rural 2 (greater than 8 hectares and less than 40 hectares in area) 90%- Vacant Residential 200% Do you believe that these weightings are appropriate?

Answered: 68 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	38.24%	26
No	61.76%	42
TOTAL		68

Revenue & Rating Strategy and Hardship Policy Review

Q4 If no, please enter the relevant weighting amount you think should be associated with each category.

Answered: 42 Skipped: 29

ANSWER CHOICES	RESPONSES	
Rural 1	71.43%	30
Commercial/Industrial	73.81%	31
Rural 2	76.19%	32
Vacant Residential	83.33%	35

Revenue & Rating Strategy and Hardship Policy Review

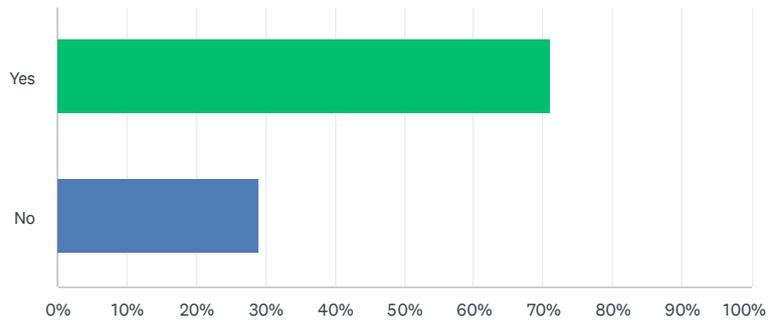
Q5 For any additional rating categories that you've identified in earlier questions, please indicate what weighting amount you think these categories should have.

Answered: 32 Skipped: 39

Revenue & Rating Strategy and Hardship Policy Review

Q6 We collect both a fixed charge (through the municipal charge - a set charge that covers basic core functions of Council) and a variable rates component (the five rating categories listed earlier). The current strategy is to collect approximately 20% of the rates through the fixed component and 80% through the variable component. Is this a suitable split?

Answered: 69 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes	71.01%	49
No	28.99%	20
TOTAL		69

Revenue & Rating Strategy and Hardship Policy Review

Q7 If you answered no, what do you think the fixed charge (municipal charge) percentage should be?

Answered: 20 Skipped: 51

Revenue & Rating Strategy and Hardship Policy Review

Q8 Is there anything else in the current rating strategy that you think should be changed in the new strategy?

Answered: 27 Skipped: 44

Revenue & Rating Strategy and Hardship Policy Review

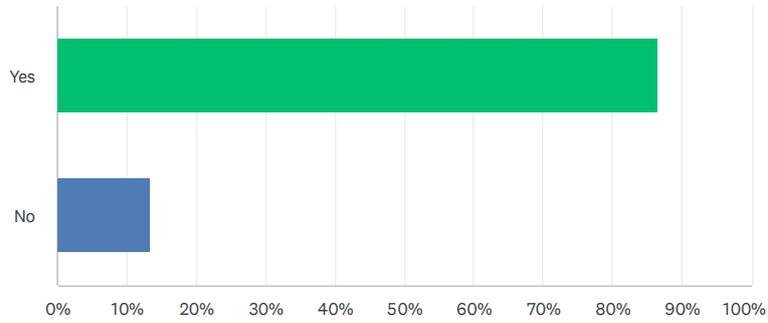
Q9 Are there any additional revenue policies that we should consider for the new Revenue and Rating Strategy?

Answered: 24 Skipped: 47

Revenue & Rating Strategy and Hardship Policy Review

Q10 Our current Hardship Policy contains a number of options including payment plans, deferral of rates and/or charges, Interest reductions, and waiving of rates. Are these options appropriate?

Answered: 67 Skipped: 4



ANSWER CHOICES	RESPONSES	
Yes	86.57%	58
No	13.43%	9
TOTAL		67

Revenue & Rating Strategy and Hardship Policy Review

Q11 If you answered no, what further options or inclusions do you think should be considered?

Answered: 14 Skipped: 57

Revenue & Rating Strategy and Hardship Policy Review

Q12 Do you have any further feedback on our current Hardship Policy or suggestions that may assist with drafting a new version?

Answered: 27 Skipped: 44

11.3

DRAFT FINANCIAL HARDSHIP POLICY

1	Draft Fiancial Hardship Policy (2024)	191
2	Current Financial Hardship Policy	198

POLICY



Financial Hardship

Version No:	Draft 2024 (for public exhibition)
Trim File No:	
Approval Date:	"To be completed after Policy is adopted"
Approved By:	"To be completed after Policy is adopted"
Department:	Planning and Corporate Services
Service Plan Area:	Rates and Property Services
Responsible Officer:	Director Planning and Corporate Services
Next Review Date:	To be reviewed no more than four years after adoption, with more frequent review where required by legislation or best practice
RelianSys No:	"To be completed after Policy is adopted"
Circulation	Public

POLICY STATEMENT

This policy applies to ratepayers/property owners who are experiencing difficulties paying their rates and/or charges, and therefore require support from Indigo Shire Council in meeting their financial obligations.

POLICY PURPOSE

Indigo Shire Council recognises that some ratepayers/property owners may from time to time experience financial difficulty which will vary in extent and duration and is dependent on individual circumstances.

The purpose of this Financial Hardship Policy is to provide a framework that sets out the process of providing support to individuals experiencing genuine financial hardship.

SCOPE

Hardship assistance may be granted to individuals experiencing difficulties in meeting rate payments on their primary residence.

Applications for hardship assistance for residential investment, commercial or industrial properties will generally not be granted.

HARDSHIP AND FINANCIAL HARDSHIP DEFINITION

The following definitions apply to this policy.

'Hardship' is a broad concept and may include where a person has a limited/low income (i.e. pension/unemployment) and payment of rates and charges may be detrimental to their quality of life. Unlike 'financial hardship' (detailed below), 'hardship' may be present when a ratepayer is still able to afford the necessities of life.

Financial Hardship



Financial hardship is a category within the broader concept of hardship described above. Many situations can contribute to financial hardship, including (but not limited to):

- bereavement
- financial misfortune such as fraud or electronic scamming
- illness; or
- the impacts of natural disaster.

Mere inconvenience or difficulty in making a payment is not financial hardship. An inconvenience or difficulty may require the reorganising of finances, prioritising of other payments, or reducing expenditure on social activities and discretionary goods and services, in order to make a timely payment.

Financial hardship denotes more serious circumstances and requires that a person:

- cannot afford the necessities of life for themselves and/or dependants; or
- to be in such a circumstance that paying rates and charges means that they would be unable to afford necessities of life for themselves and/or dependants.

Necessities of life that would be impacted if making a payment of all or part of any rates, charges and any interest would:

- Prevent the ratepayer (or a dependant) from seeking essential medical treatments or supplies;
- Prevent the ratepayer from payment of essential utility services (including water and energy);
- Prevent the ratepayer (or a dependant) from access to basic living needs, such as:
 - Food;
 - Accommodation;
 - Clothing;
 - Education for dependent children; or
- Place the ratepayer (or dependent) in any form of harm or danger, including (but not limited to):
 - Family violence¹; or
 - Economic abuse.²

In contrast, financial hardship is not present where a ratepayer is able to afford goods and services such as (but not limited to):

- Restaurant and takeaway meals;
- Services such as hairstyling, beauty treatments, sport and recreational activities, and holidays;
- Entertainment such as streaming services, movies, concerts, and theatre;
- Alcohol and tobacco; and
- Private schooling fees (including for dependents) or fee-paying education services.

¹ Section 5, *Family Violence Protection Act 2008*.

² Section 6, *Family Violence Protection Act 2008*.

Financial Hardship



POLICY PRINCIPLES

Indigo Shire Council encourages ratepayers/property owners that are struggling financially to make contact personally, or through a third party such as a financial counsellor or welfare agency.

APPLICATION CONSIDERATIONS

Hardship assistance will only be granted to individuals experiencing genuine hardship or financial hardship, to assist them with the payment of rates on their primary residence.

Council will ensure that all details pertaining to hardship applications are managed with privacy and sensitivity.

- All hardship applications for deferral or waiver of rates are to be lodged in writing.
- All applications will be assessed on a case by case basis.
- The information requested to support an application will be commensurate to the level of assistance being sought.
- Arrangements and assistance options offered to each person will be based on their specific circumstances and capacity to pay.
- The type of hardship assistance provided will match the level of financial difficulty.
- Ratepayers are strongly encouraged to utilise financial counselling, legal and other supports.
- Hardship supports are expected to be short-term and will not be continued indefinitely.

The following will be taken into consideration when assessing an application for assistance under this policy.

That the ratepayer/property owner:

1. Has displayed a history of endeavouring to pay the debt to Council.
2. Has initiated contact with Council, or a third party on their behalf, to discuss the debt.
3. Is experiencing genuine financial hardship which is impacting their ability to meet their rates payments.
4. Is experiencing circumstances that require assistance on compassionate grounds:
 - a. Loss of employment or income of the property owner or family member.
 - b. Family breakdown.
 - c. Economic abuse through family violence.
 - d. Illness, including physical incapacity, hospitalization, or mental illness of the property owner or a family member.
 - e. A death in the family/funeral expenses.
 - f. Other factors resulting in unforeseen change in the person's capacity to meet their payment obligations, whether through a reduction in income or through an increase in non-discretionary expenditure.

Financial Hardship



AVAILABLE ASSISTANCE

The assistance options available to ratepayers experiencing financial hardship are described below in ascending order of support.

The first assistance (payment arrangements) is available through Council's rates department and requires the lowest level of application (email/verbal, etc).

1. Payment Arrangements

Council will work with ratepayers experiencing hardship to create a payment plan that takes their individual circumstances into account and allows them to pay the rates over an extended period of time and/or in smaller regular payments.

A **payment arrangement** can be entered into at any time and will be subject to the following:

- Payment arrangements will have a limited life of up to twelve (12) months following the end of the financial year the arrangement was entered into.
- Where rate payments are in arrears, any default from the payment arrangement may result in debt recovery activities.
- Applicants will be encouraged to make a regular payment arrangement so that bills can be paid in smaller more manageable amounts.
- Payment arrangements may be renegotiated as a ratepayers/property owners' circumstances change.
- Should the property owner/rate payer be unable to make a regular repayment arrangement their payment plan may be cancelled.

2. Suspension or Waiver of Penalty Interest

Penalty interest rates are set by the state government and applied on outstanding rates balances. Interest may be waived or suspended for administrative reasons such as:

- **Trivial Interest waiver** – where interest has been charged for a trivial reason or period of time. For example, interest on rates paid one day after the due date.
- **Administrative Reason/Error waiver** – penalty interest waived in the event of an administrative issue, error or omission by Council which causes or significantly contributes to a failure to payment of rates in a timely manner.

An application for a waiver of penalty interest on outstanding rates and charges can be considered for a person experiencing Hardship or Financial Hardship as defined above. Examples of Council responses to hardship or financial hardship may include the following.

- **Compassionate Grounds waiver** – interest incurred on a debt while the ratepayer is experiencing short-term change of financial circumstances (change of job, etc) or is suffering short term hardship or financial hardship. It is expected in this situation that the ratepayer is making attempts to repay the outstanding debt (through a payment plan, etc).

Financial Hardship



When assessing requests for interest waivers Council will consider individual circumstances such as the type of hardship, payment history, size of debt, etc.

Waivers of up to \$1,000 will be determined by the Director responsible for Council's Finance Department. Recommendations for waivers greater than \$1,000 will go to a (confidential) Council decision.

3. Deferral of rates, charges, or interest

The deferral of rates, charges, or interest places all payments on hold for a period of time. This does not reduce the outstanding balance, but makes it unnecessary for the ratepayer to make any payments while the agreement is in place. New rates and charges (and possibly interest) may accrue during this time, but will not require payment.

A deferral of rates, charges, or interest will be for a set period of time and then be re-assessed. The period of time will be determined by the Director responsible for Council's Finance Department on a case-by-case basis. Once the agreement finishes the rates, charges, or interest become payable. This may lead to an agreed payment plan.

Applications for deferral of rates, charges, or interest will be considered from the following persons:

- Pensioners (eligible under the *State Concessions Act 2004*) or self-funded retirees who are in financial stress and transitioning away from home ownership
- Other financial hardship applications (extreme and long-term cases)
- Ratepayers in acute financial stress with an expected resolution (for example, a person who has become unemployed and is awaiting the sale to the property)

Applications are subject to the following conditions:

- Must be the applicant's sole or principal place of residence (owner/occupier).
- Where a property has co-owners with one owner suffering financial hardship and the other owner(s) not under financial hardship then the other co-owners (not experiencing financial hardship) become liable for the full payment of the rates and charges.
- A confidential statement providing evidence of financial hardship must be submitted.
- Wherever possible, Council prefers independent verification from an accredited Financial Counsellor or accountant working under the authority of the property owner.
- Depending on the circumstances, penalty interest may still apply to the unpaid rates and charges.
- Council reserves the right to alter or withdraw any agreement if circumstances change.

4. **Waiver of rates and charges**

In general, rates and charges will not be waived. However, under *Section 171 (a) of the Act*, Council may waive rates and charges if it considers that a ratepayer is suffering extreme financial hardship. The waived amount is capped at \$1,000 per property, with applications for greater than \$1,000 requiring formal Council approval.

Financial Hardship



Rates, charges, or interest, may be waived subject to the compliance with the following conditions:

- Where the ratepayer is experiencing extreme financial hardship as assessed by (preferably) an independent accredited Financial Counsellor, or Council staff where a financial Counsellor is not in use.
- The property for which the waiver is to be considered must be the ratepayer's principle place of residence.
- Where a property has co-owners with one owner suffering financial hardship and the other owner(s) not under financial hardship then the other co-owners (not experiencing financial hardship) become liable for the full payment of the rates and charges.
- The ratepayer, or the independent accredited Financial Counsellor with the ratepayers written consent, must request the waiver (applications cannot be initiated by Council).

Applications for a waiver of rates and charges up to \$1,000 will be determined by the Director responsible for Council's Finance Service. Recommendations for waivers over \$1,000 must be determined by a (confidential) Council decision.

When assessing requests for waivers, Council will consider the following factors:

- Can the unpaid rates and charges be paid by rearranging finances and/or selling or drawing on assets?
- Does the ratepayer have access to savings, monetary investments, or other income?
- Has financial hardship been caused by a ratepayer's own actions or expenditure, for example, through spending on non-essential items or through a recent gift or loan to family or friends?
- What has the applicant ratepayer done to alleviate their financial hardship?
- Will the applicant ratepayer sell saleable or liquid assets capable of paying the debt within the next 12 months, including the property with outstanding rates and charges?
- Is the ratepayer able to make payments on other debts (such as mortgage or credit cards) greater than the minimum required?
- Is the ratepayer a company or trust?

DEBT RECOVERY

Legal action to recover unpaid rates, charges, or interest is the last resort for Council after all other processes have failed to achieve a satisfactory outcome.

Council will consider recovery action when the debt meets the criteria of *The Act* and is in excess of \$10,000 or 10% of the property value (whichever is the lesser amount).

Council reserves the right to take recovery action to the extent possible under the law. This may include the sale of the ratepayer's property to fund the outstanding debt.

EXTERNAL RESOURCES

Where necessary, ratepayers may find assistance through external financial management services such as:

Financial Hardship



- The Consumer Action Law Centre <http://consumeraction.org.au> (financial counselling services).
- Financial Counselling Victoria (www.fcvic.org.au) for financial counselling services and locating these services in your area.
- The Financial Counselling Hotline on 1800 007 007.

ELATED POLICIES AND DIRECTIVES

- Revenue & Rating Strategy
- Debt Management – Sale of Property Policy
- Public Transparency Policy

RELATED LEGISLATION AND OTHER DOCUMENTS

- *Local Government Act* (1989 & 2020):
- The penalty interest rate is fixed by the Attorney-General under Section 2 of the *Penalty Interest Act 1983* and is reviewed annually.

POLICY REVIEW

The policy should be reviewed at least every four years from date of adoption.

COMMUNICATION

This is a public policy and will be made available on Council's website. Details of how to apply for payment plans, deferrals and waivers will also be published on the website.

POLICY



Financial Hardship

Version No:	1
Trim File No:	INTERNAL15/1676
Approval Date:	27 October 2015
Approved By:	Council
Department:	Corporate and Community Services
Responsible Officer:	Director, Corporate and Community Services
Next Review Date:	Annually
Circulation	Public Document

DEFINITIONS

“**Financial hardship**” is a situation where a ratepayer is willing but unable to pay the rates on their primary residence. Financial hardship may be due to a number of situations, including (but not limited to) loss of employment or illness of the property owner or family member, family breakdown, a death in the family or other factors resulting in unforeseen change in the property owner’s capacity to meet their payment obligations.

A “**deferral**” of payment can be provided in whole or in part and be for a specified period and subject to any conditions determined by Council. When rates are deferred, payment is not required until the Council sends the person a notice requiring payment.

A “**waiver**” removes the liability to pay and may be offered to include the whole or part of any interest and/or charges.

INTRODUCTION

Indigo Shire Council acknowledges that financial hardship can strike anybody at any time. It can occur as a result of an unforeseen event, or due to ongoing low or fixed income. We seek to provide flexible financial arrangements for rate payers experiencing temporary and genuine financial hardship.

REFERENCE TO CURRENT OR PREVIOUS LEGAL /COUNCIL PLAN / POLICY

Council is empowered to defer or waive rates, charges and interest based on the following legislative provisions of the *Local Government Act 1989*:

Section 170 (Deferred Payment)
Section 171 and 171A (Waiver)

The penalty interest rate is fixed by the Attorney-General under Section 2 of the *Penalty Interest Act 1983* and is reviewed annually.

SCOPE

Hardship assistance may be granted to individuals experiencing difficulties in meeting rate payments on their primary residence. Therefore applications for hardship assistance for residential investment, commercial or industrial properties will generally not be granted.

PURPOSE

FINANCIAL HARDSHIP POLICY



The purpose of the Financial Hardship Policy is to provide Council with a policy framework to provide financial relief to individuals who need assistance and who are unable to make payments through the standard options provided. The policy also aims to provide ratepayers with a clear and transparent understanding of the options and assistance available if currently experiencing or at the risk of experiencing financial hardship.

POLICY DETAILS

Principles

The following policy principles form the basis of this hardship policy:

- Information about this hardship program will be made accessible to the community and Council will be proactive in communicating its program.
- Hardship assistance will only be granted to individuals experiencing financial hardship with regard to the rates on their primary residence.
- A range of forms of assistance will be made available.
- The form of hardship assistance provided should match the level of financial difficulty.
- The process must be simple for the ratepayer to use.
- Ratepayers are encouraged to utilise financial counselling, legal and other supports.
- Legal action to recover debt should be the last resort.

What can Indigo Shire Council do?

1. Payment plans

A 'payment plan' is a schedule of payments agreed to by both the council and ratepayer which provides for flexible payment of debts after their due date has lapsed. The payment plan option would generally apply to medium term cases of financial hardship e.g. three or four months, but less than one year. Payment plans are subject to compliance with the following conditions:

- The ratepayer must be able to demonstrate they are experiencing financial hardship.
- A payment plan request must be in writing specifying the proposed payment dates and amounts.
- The acceptance by the ratepayer that interest will be levied at the rate set by the Attorney General (*Penalty Interest Rates Act 1983*) until the account is paid in full.
- The arrangement will have a limited life of not greater than twelve (12) months following the end of the financial year the arrangement was entered into.
- Any default in the arrangement may end the arrangement and result in the commencement of legal proceedings which may incur costs associated with the collection of the debt.
- Administration of applications to commence a payment plan shall be the responsibility of Council's Finance Manager.

2. Rates and charges deferrals

Rates / charges deferral is the placing on hold of rates and charges payments for an indefinite period. Rates may not be recovered until the sale of the property or the property is sold upon the death of the ratepayer. Rates and charges are a first charge on a property and are always recoverable before any other charges on a property are paid. Applications for rates and charges deferment will be considered from pensioners (eligible under the *State Concessions Act 2004*), self-funded retirees and other financial hardship applications (extreme and long term cases), subject to the following conditions:

- Must be the applicant's sole or principal place of residence (owner / occupier)
- A confidential statement must be submitted by the property owner as evidence of financial hardship (application form).

FINANCIAL HARDSHIP POLICY



- In considering applications for deferment, excessive items of expenditure shown on the application may be excluded, provided such action can be justified.
- Successful applicants are not obliged to, but may make payments at any time to reduce the deferred debt.
- The acceptance by the ratepayer that interest will accrue on the deferred rates and charges at 50% of the prescribed *penalty interest rate* (*Section 2, Penalty Interest Rates Act 1983*) to all approved applicants.
- Council may reject a deferral application or cease a deferral arrangement if the total outstanding balance of rates and charges exceeds 50% of the property value or 30% of the equity in the property (whichever is lower).
- Council has the authority to withdraw any agreement at its discretion.

Deferment will only be recommended where the financial hardship is expected to exceed one year.

Rates & Charges Deferment re-application Requirement	
Pensioner / Self-Funded Retiree (Age)/ (Seniors Card)	Deferred Indefinitely - until property is sold/ Estate settled (yearly application not required)
Pensioner/Other (Sickness, Sole Parent, Carer, Disability)	Limited period (must re-apply yearly)
Unemployed / Other (Long Term – Health Care Card)	Limited period (must re-apply yearly)

3. Interest reduction

A rates and charges deferral may be accompanied by a reduction in the penalty interest rates for the ratepayer. However, interest will continue to accrue on the deferred rates and charges.

Council recognises that setting a penalty interest rate which is consistent with the *Penalty Interest Act 1983* could have a negative effect on the finances of ratepayers which prolongs their hardship. As such, where hardship is established, Council will reduce the penalty interest rates to Council's investment rate as assessed at the beginning of each financial year. The penalty rates will then be adjusted annually. This ensures that neither the council, nor ratepayer suffer unduly from implementing the rates and charges deferral.

4. Waiver of rates

Rates and charges will generally not be waived. However, under *Section 171 (a) of the Act*, Council may waive rates and charges if Council considers that a ratepayer is suffering financial hardship. The waived amount is capped at \$1,000 per property, with amounts greater than that requiring Council approval.

Ratepayers may have interest, or part thereof, waived subject to the compliance with the following conditions:

- The ratepayer must be experiencing unusual financial hardship and this may be assessed by an independent Financial Counsellor.
- Being a government benefit recipient is not sufficient grounds for claiming hardship.
- The property for which the interest waiver is being considered must be used exclusively for residential purposes and must be the ratepayer's principle place of residence in accordance with *Section 171 (b) of the Act*; and
- The ratepayer must request a review for eligibility of financial hardship.

All rates waivers will be reported to Council annually.

Determination on applications for waiver of rates and charges will be subject to CEO approval.

FINANCIAL HARDSHIP POLICY



Determination on applications for waiver of interest and charges will be subject to Director Corporate and Community Services approval.

Assessment of financial hardship will be a subjective assessment having regard to the applicant's income, expenses and obligations.

Supporting documentation

Council may ask for documentation as evidence to support any application under this policy.

Confidentiality

Applications for consideration of financial hardship will be treated as strictly confidential in accordance with Council's Privacy Policy.

How do ratepayers apply for financial hardship?

Requests for payment date extension:

Please contact the Finance Manager on 5728 8000 to discuss over the phone. The Finance Manager will conduct a basic hardship assessment to determine the ratepayer's circumstances.

Payment plans, interest reductions, and payment deferrals:

The applicant is required to establish that they are experiencing longer term financial hardship by completing the application form (available on website or contact customer service on 5728 8000) and providing further relevant financial details (including income, expenditure, assets and liabilities). Additional financial information may be requested, including independent financial opinion where required.

Approval process

The Finance Manager will review applications in accordance with this policy and if satisfied that financial hardship exists, a report will be provided to the Director Corporate and Community Services for consideration. The report will be taken to the CEO for approval. The type of assistance and conditions attached will be confirmed in writing to the ratepayer once it has been approved.

External Resources - ratepayers should refer to external financial management services such as The Consumer Action Law Centre (<http://consumeraction.org.au>) (phone-based financial counselling services) or Financial Counselling Australia (www.debtselfhelp.org.au) for online financial counselling service.

COMMUNICATION

Council will publish the Financial Hardship Policy on its website and provide links to application forms (including appeal form).

Council will also provide information on financial hardship and this policy along-side other Council-provided family services.

Council will provide information regarding financial hardship and financial assistance on all rates notices.

11.4

PLANNING PERMIT APPLICATION PP23-0089 - 645 HELLHOLE CREEK ROAD, KERGUNYAH

2	Referral Response - CFA.....	203
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Patron: Her Excellency Professor the Honourable Margaret Gardner AC, Governor of Victoria

CFA Fire Risk, Research & Community Preparedness
8 Lakeside Drive Burwood East Vic 3151
Email: firesafetyreferrals@cfa.vic.gov.au

CFA Ref: 24000-79799-134801
Council Ref: PP23-0089
SPEAR Ref: S212822J

14th March 2023

Danieel Matthews
Indigo Shire Council
PO BOX 28
BEECHWORTH VIC 3747

Dear Danieel,

CONSENT TO THE GRANT OF A PERMIT

Application No: PP23-0089, SPEAR S212822J
Site Address: 227 Beasley Lane, Kergunyah
Proposal: TWO LOT SUBDIVISION

I refer to correspondence received on 20th February 2024 seeking comments on the above application.

CFA acting as a Referral Authority pursuant to section 55 of the *Planning and Environment Act, 1987 (Act)* has considered and does not object to the grant of a permit for the above proposal.

CFA has no conditions.

Additional Considerations

Proposed Access

CFA notes that the proposal appears to have limited information detailing the current and future agricultural needs of Lot 2 and this development. CFA also notes that with the creation of Lot 2 an additional dwelling entitlement is created.

Given this available information combined with the length and water way crossings required to construct the physical access to Lot 2, CFA recommends that Council ensure all-weather road access to accommodate emergency vehicles is constructed prior to the issuing of Statement of Compliance.

Constructing this access so as to facilitate the development will ensure appropriate emergency vehicle access to Lot 2 for all future land uses, agriculture or otherwise.

CFA's minimum requirements for access are detailed below:

Access:

- All weather construction.
- A load limit of at least 15 tonnes.

OUR COMMUNITY • OUR CFA

- Provide a minimum trafficable width of 3.5 metres
- Be clear of encroachments for at least 0.5 metre on each side and at least 4 metres vertically.
- Curves must have a minimum inner radius of 10m.
- The average grade must be no more than 1 in 7 (14.4 per cent) (8.1 degrees) with a maximum of no more than 1 in 5 (20 per cent) (11.3 degrees) for no more than 50m.
- Dips must have no more than a 1 in 8 (12.5 per cent) (7.1 degrees) entry and exit angle.
- Incorporate a turning area for fire fighting vehicles close to the building by one of the following:
 - A turning circle with a minimum radius of eight metres.
 - A driveway encircling the dwelling.
 - The provision of other vehicle turning heads – such as a T or Y head – which meet the specification of Austroad Design for an 8.8 metre Service Vehicle
- Incorporate passing bays at least every 200m which must be at least 20m long and have a minimum trafficable width of 6m.

Existing Outbuildings on Lot 1

CFA notes the references to substantial existing outbuildings located near the proposed furthest western boundary of Lot 1. Based on this information CFA has accepted this outbuilding description and accordingly must assume no habitation.

CFA's assessment is that a maximum of approximately 25m separation is proposed from all buildings to the proposed new boundary.

CFA references this information so that all parties are aware that in the event of future development and or changes in use the level of defendable space able to be wholly contained within the property for this location may be a constraint on complying with Bushfire Policy.

Bushfire Management Plan

The supplied Bushfire Management Plan, titled Overall Bushfire Management Plan, prepared by Danielle Cleland, Revision A, undated **must not** be endorsed with any permit determination made.

If you wish to discuss this matter in more detail, please do not hesitate to contact Sam Porter on 0457 626 630.

Yours sincerely



Glenn Cockram
Bushfire Planning Coordinator
CFA Fire Risk, Research & Community Preparedness

12.1

INDIGO SHIRE COUNCIL PUBLIC ART POLICY

1	DRAFT Public Art Policy	206
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POLICY



Public Art Policy

Version No:	0.1
Trim File No:	
Approval Date:	"To be completed after Policy is adopted"
Approved By:	"To be completed after Policy is adopted"
Department:	Community Development
Service Plan Area:	Creative Communities
Responsible Officer:	Creative Communities Coordinator
Next Review Date:	To be reviewed no more than four years after adoption, with more frequent review where required by legislation or best practice
Reliansys No:	"To be completed after Policy is adopted"
Circulation	All staff

1. DEFINITIONS

Public Art

Public art refers to all types of artworks in public spaces that is freely accessible to all. It can be made using various materials, sizes, and forms, including sculptures, murals, installations, and light projections. It may also involve performance or multimedia elements and can be integrated into architectural structures.

Public art constitutes a deliberate and creative initiative, intentionally integrated into the public sphere with the aim of conveying narratives or ideas.

Commission

In the context of public art, a commission is the creation of an original work of art by a qualified artist or group of artists in response to a defined brief. The commission is proposed by an organisation or individual willing to cover the costs and be responsible for the care and presentation of the artwork.

Heritage

Heritage in Indigo Shire refers to the act of capturing, preserving and sharing our rich and diverse cultures, from those of the First Peoples, through to settlement and subsequent waves of migration.

Public realm

Refers to the collective space that is accessible to and shared by the public. This includes various outdoor and publicly accessible areas within a community, such as streets, sidewalks, parks, plazas, squares, and other open spaces. The public realm is essential for community life, social interaction, and cultural activities.

Typologies

Typology refers to the shapes and form a public artwork can take. Public art can be a Sculpture, Urban Elements, Creative Lighting, Street Art, Nature Art, Digital Art, Integrated Artworks, Activations, Performance and Soundscape.

Disposal

The physical removal of the object from the organisation by the process decided upon by the Indigo Shire Public Art Advisory Panel.

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Deaccessioning

The formal process of removal of an object from the collection register, catalogue or database.

2. PURPOSE

The Indigo Shire Council Public Art Policy (the Policy) aims to provide the community of Indigo Shire and its partners with clear direction in the planning, creation, commissioning and maintenance of public art.

The Policy was developed following a review of relevant Federal, State and Local Government policy, analysis of existing public art, engagement of the community and key stakeholders and the identification of process enhancements to provide a system to support the creation of public art projects.

This Policy is to be read in conjunction with the Creative Indigo Strategy (the Strategy). The Public Art Policy outlines the vision, principles, roles, and responsibilities associated with public art, emphasising inclusivity, sustainability, and community engagement. The policy establishes clear guidelines for artist engagement, commissioning processes, governance and strategies for funding and maintaining public art. Aligned with broader council plans and strategies, this policy positions Indigo Shire as a creative hub, celebrating its unique identity through diverse and high-quality public artworks.

This Policy:

1. establishes an overarching vision.
2. identifies key principles to guide new public art projects.
3. Identifies the definition of public art.
4. identifies for the authorities for acquiring and delivering public art in Indigo Shire Council.
5. Identifies public art funding options within Council
6. Identifies the Lifespan and decommission processes for public art in Indigo Shire.
7. Identifies the structure and management of the public art collection.

Council Plan Strategic objective 1.5 Our communities are enriched by a thriving and diverse arts and creative sector.

3. SCOPE

This policy applies to all public art initiatives funded, commissioned, or permitted by the Indigo Shire Council, including projects on public or private land in the public realm.

Public art includes, but is not limited to, sculptures, murals, installations, digital artworks, performance art, and temporary or permanent displays.

This policy does not cover memorials, or collections managed by libraries, museums, or Athenaeums. Ephemeral and temporary installation of art as part of community events are not covered under this policy.

PUBLIC ART POLICY



4. POLICY

4.1. Vision

This Policy aims to support and realise the vision of the Creative Indigo Strategy:

Indigo Shire is one of Victoria's critical creative hubs, where arts are embedded in the way we do things and used to improve the lives of everyone.

Indigo Shire Council recognises the role of public art in enhancing the cultural vibrancy and identity of the community. This Policy aims to support the development, implementation, and management of public art initiatives throughout the Indigo Shire. It seeks to encourage the creation of diverse, inclusive, and high-quality public artworks to engage and inspire residents and visitors alike.

The Policy supports the long-term aim of championing Indigo Shire as a place for creativity as envisioned in the Creative Indigo Strategy. Public art enriches our towns for residents and visitors, honouring the past and looking to our future. It provides artists opportunities to contribute to the shaping of the built and natural environment in ways which reflect and accentuate Indigo Shire's unique environment, history and community.

Public art is a way to embed a cultural legacy for future generations, and benefits residents in the community as well as the many thousands of visitors who come to the region every year. Indigo Shire Council is committed to a public art collection that is innovative, progressive and relevant.

4.2. Policy Statement

Indigo Shire Council is dedicated to nurturing a culturally vibrant community that values and celebrates diversity through the thoughtful integration of public art. We aspire to create lasting, meaningful, and inspiring contributions to our shared public spaces, reflecting the spirit and character of Indigo Shire. Council is committed to a transparent process for the acquisition of public art and will seek funding for high quality artwork through diverse channels. Public art projects will adhere to the guiding principles set out in the Creative Indigo Strategy. Public art acquisition and activation will always be considerate of the built heritage assets that are part of the culture of the Indigo Shire Council towns and environment.

4.2.1. Strategic Principles

- **Engagement with First Peoples:** Prioritize meaningful engagement with Traditional Custodians to ensure cultural authenticity and respect for traditional knowledge.
- **Inclusion and Accessibility:** Ensure that public art projects are accessible to all members of the community, regardless of background or ability.
- **Community Empowerment and Capacity Building:** Empower local communities by involving them in the planning, creation, and maintenance of public art, fostering a sense of ownership and pride.
- **Sustainability:** Promote environmentally sustainable practices in the creation and maintenance of public art, minimizing negative impacts on the environment.

PUBLIC ART POLICY



- **Balanced Economic and Social Benefits:** Strive for equitable distribution of economic and social benefits derived from public art projects, ensuring they contribute positively to both local economies and social cohesion.
- **Planning and Heritage Consideration:** Integrate public art into urban planning processes, considering historical context and heritage preservation to enhance the cultural identity of a place.

4.2.2. Curatorial Principles:

- **Honouring Traditional Custodians:** Acknowledge and celebrate to the cultural heritage and traditions of Aboriginal and Torres Strait Islander peoples.
- **Site-Specific Enhancement:** Tailor public art installations to the unique characteristics and history of their locations, enriching public spaces with meaningful and relevant artwork.
- **Respect for Community Identity and Local Environment:** Reflect the distinct identity of communities and their surroundings in public art projects, fostering a sense of belonging and environmental stewardship.
- **Originality and Artistic Merit:** Curate public art collections that showcase original works of high artistic quality, enriching public spaces with creative expression and aesthetic value.

4.2.3. Funding Opportunities:

- **Annual Budget for Public Art:** Allocate dedicated funding annually to support the creation, maintenance, and promotion of public art initiatives.
- **Percentage for Public Art Scheme for Capital Work Projects:** Establish a percentage-based funding scheme for capital projects, ensuring a portion of project budgets is allocated to public art integration.
- **Collaborative Funding with Other Organisations:** Forge partnerships with other organisations, such as businesses, not for profit, and government agencies, to leverage resources and support for public art initiatives.
- **Community Project Funding Through Grants:** Provide grants and funding opportunities for community-led public art projects, empowering local initiatives and creativity.
- **Public Art Installations by Private Development:** Encourage private developers to contribute to public art initiatives through the inclusion of art installations in their projects.

4.3. REFERENCE TO CURRENT OR PREVIOUS LEGAL/COUNCIL PLAN/POLICY

This Policy relates to the following Indigo Shire Council Plans and Strategies:

- Indigo Shire Council Plan 2021-2025
- Indigo Shire Council Creative Indigo Strategy 2027
- Indigo Shire Council Planning Scheme
- Indigo Ageing Well Strategy 2019 - 2023
- Active Indigo Recreation Strategy 2018 - 2026

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- Asset Management Strategy 2019
- Chiltern Placemaking and Structure Plan 2016
- Community Engagement Strategy 2022 - 2025
- Advocacy Action Plan 2021 - 2025
- Economic Development Strategy 2018
- Youth Strategy
- Kiewa Tangambalanga Placemaking Plan 2018
- Destination Game Changer 2023 Tourism Strategy

This Policy relates to the following Regional and State Plans and Strategies:

- Ned Kelly Alive – Tourism North East Partnership
- Ovens and Murray Regional Partnership – Regional Development Victoria
- Hume Region Significant Tracks and Trails Strategy 2014 - 2023
- North East Victoria Cycling Optimisation Plan – Tourism North East and RDV
- Creative State 2025 – State Government Victoria
- National Cultural Policy- Revive – Australian Government, Office for the Arts

4.4. Policy Details

4.4.1. Artist Engagement

Opportunities for artists to be engaged in creating public art will be advertised in accordance with Council's Procurement Policy. Council will encourage our local network of artists to build experience in public space and art activations.

4.4.2. Content and Themes

The Public Art collection should represent contemporary art from Australia in a variety of forms.

Commissioned work will be guided by a comprehensive public art brief outlining its vision, objectives, selection criteria, and scope for interpretation and creativity.

4.4.3. First Nations Engagement

Indigo Shire is committed to engagement with First Peoples, embedding First Nations perspectives and connections to Country throughout the project stages.

4.4.4. Commissioning and Brief

The commissioning or acquisition of public art in Indigo Shire includes the following models:

- Expression of Interest
- Request for Tender/Quote
- Direct Purchase
- Gift and donation
- Acquisitive Award/Competition

The selection process remains consistent regardless of the commissioning model used. An Artist Brief is developed for each acquisition, in alignment with Council's Procurement Policy, unless an exemption is granted.

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Artist agreements are informed by the recommendations set out by Arts Law Australia. Artist fees and payments are informed by the Code of Practice held by the National Association for the Visual Arts (NAVA).

4.5. Governance

4.5.1. Decision Making

Responsibility for the planning, visioning, commissioning and management of artworks is reflected in the below table.

Role	Responsibility
Councillors	Advocate for Public Art activity in Indigo Shire. Receive recommendations from the Public Art Advisory Panel and the Public Art Working Group to inform decisions about public art commissions.
CEO and Directors	Provide leadership and decision making that guides the commissioning and management of the public art program in Indigo Shire. Consider recommendations from Council staff, the Public Art Working Group, the Public Art Advisory Panel and external consultants to guide decisions for the public art program.
Creative Communities Officers or delegated Council Officer	Manage the public art program and acquisitions to comply with this policy, in consultation with Council's Executive Management Team. Manage the Public Art Advisory Panel, Public Art Working Group, Creative Indigo Working Group and external consultants to guide the public art acquisition process.
Public Art Advisory Panel	Oversee the selection of artists for public art projects with a budget of more than \$25,000. Provide expert advice to councilors, CEO, Directors and staff on the development of public art projects, and the management of works.
External Advisors and Specialists	Provide specific advice to council staff on the development of public art projects, and the management of works.
ISC Public Art Working Group (internal representatives)	Provide strategic directions and practical guidance to assist in identifying public art projects and aid in their delivery and management.
Creative Indigo Working Group (community representatives)	Creative Indigo Working Group guides the direction of the Creative Indigo Strategy. Members may be called on to sit on selection panels for specific public art projects that relate to the representative's community or specialist area of expertise.

4.5.2. Selection and approval process for public art acquisition

The acquisition of Public Artworks aligns with Indigo Shire Council Procurement Policy. The approval of an acquisition is informed by the cost of the project, type of procurement and staff delegation authority.

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Budget implication total cost	Budget type	Delegated Responsibility
<\$25,000	Within existing budget	ISC Working Group and Director
<\$25,000	Not within existing budget	ISC Working Group and Councillors
\$25,000-\$150,000	Within existing budget	Advisory Panel and Director
\$25,000-\$150,000	Not within budget existing budget	Advisory Panel and Councillors
\$150,000-\$250,000	Within existing budget	Advisory Panel and CEO
\$150,000-\$250,000	Not within existing budget	Advisory Panel and Councillors
>\$500,000	N/A	Advisory Panel and Councillors

Public Art Advisory Panel

Indigo Shire Council will establish the Indigo Shire Public Art Advisory Panel to oversee the selection of artists for public art projects with a budget of more than \$25,000 and make recommendations to Councillors and staff on the acquisition of public art. Council will appoint panel members and nominate the Councillor Representative. Terms of Reference for the panel will be developed and adopted by Council.

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The skills-based panel will consist of practising artists, industry representatives, community representatives, and council staff with relevant expertise and knowledge. A Councillor will chair the Panel in a non-voting role. Panel members are subject to conflict-of-interest rules as specified in the Terms of Reference.

Council representatives:

- Councillor (Chair, non-voting)
- Creative Communities
- Burke Museum and Heritage
- Infrastructure / Assets

Community representatives from the following sectors:

- Aboriginal and Torres Strait Islander community
- Professional arts practice (various mediums)
- Education
- Access and Inclusion
- Industry Bodies (Creative Victoria, Regional Arts Victoria, Murray Arts)

Public Art Working Group

For public art projects with a budget of \$24,999 or less, The Indigo Shire Council Public Art Working Group will be convened to select artists and guide the process. A representative from the Creative Indigo Working Group may be called on to sit on selection panels for specific projects that relate to that representative's community or specialist area of expertise. The Public Art Working Group combines various specialist skills from within the council including infrastructure, Assets, Planning and Community Development. It provides strategic directions and practical guidance Councillors, CEO, Directors and officers to assist in identifying public art projects and aid in their delivery and implementation. Consultants may be invited to advise the Public Art Working Group if specialist expertise is needed.

4.5.3. Gifts, Donations, and Community Initiatives

Gifts, donated artworks, and community-initiated projects of public artworks are encouraged and will be assessed by the Public Art Advisory Panel, followed by a recommendation made to Council. Acceptance will depend on meeting content guidelines, selection criteria, and specific site and planning criteria. Gifted artwork sits outside the Councillor Gift Policy and Officer Code of Conduct gift rules.

Potential sponsors or donors of artwork will be provided with a copy of this policy to ensure an understanding of the acquisition, maintenance and deaccession expectations.

4.5.4. Maintenance and Conservation

Artist commissioning contracts will include maintenance agreements, including responsibilities, timelines, and funding arrangements.

Maintenance and conservation agreements will apply to donated and community led artworks and be agreed prior to the work being accepted by Council for installation or display.

A Maintenance Plan provides the framework for the ongoing care of the work so that it may continue to be an asset for the community. However, all objects in public spaces inevitably require some maintenance. At the time of commission, the Artist must give design consideration to minimising maintenance requirements through robust design, the selection of materials and finishes suitable for the site's environmental conditions.

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4.5.5. Public Art Collection Management

Public Artwork acquired by Indigo Shire Council should be included in all relevant asset registers for scheduled maintenance, GIS and insurance purposes. As well as a capital asset, the Shire's public art is a cultural collection and should be included in the identified collection management software utilised by the Burke Museum and Historic Precinct.

4.5.6. Deaccessioning of Public Art works

When a public artwork reaches the end of its lifecycle, it may undergo either a deaccession process. There are various reasons why the Council or a private owner might opt for deaccession, such as changes in the use of a location or the deterioration and safety concerns related to the artwork. This Policy outlines the method for removing artwork from the public domain.

Deaccession:

Deaccession involves the removal of a public artwork from the Public Art Collection and its subsequent disposal. Disposal, in this context, refers to selling, gifting, repurposing, recycling or removal of the artwork. The following steps outline the deaccession process:

a. Identification and Preparation

The relevant officer or an independent curator will identify the need for deaccession and prepare a Deaccession Plan. This plan establishes criteria for assessing the artwork, details about the artist, cultural significance, contractual arrangements, ownership, and disposal methods. It also considers potential community interest in removing the artwork from the public domain and provides initial recommendations.

b. Artwork Documentation

Document the artwork and update the Public Art Register to reflect the deaccession process.

c. Artist Rights

Provide the artist (or their estate) with the opportunity to document the artwork in accordance with the Copyright Amendment (Moral Rights) Act 2000 requirements.

b) Community Consultation

Implement a community consultation plan with adherence to the Local Government Act 2020 Community Engagement Principles.

c) Record Keeping

Document the artwork in the Public Art Register as "Disposed" and include details of the deaccession method.

This policy ensures a systematic and transparent approach to managing the deaccession processes for public artworks within the Indigo Shire Council.

4.6. Funding

Public Art across Indigo Shire will be funded in a range of ways including the following:

PUBLIC ART POLICY



4.6.1. Annual Budget for Public Art

A dedicated budget allocation per annum will be proposed as a new budget initiative. This budget is intended to cover the commission, curation and maintenance of public artworks that do not align with capital work projects. This budget focuses on commissioning First Nation's artists and supports First Nations artists to work on Country.

4.6.2. Capital Work Projects

In the context of capital work projects, 2% of the project budget will be earmarked for public art associated with community and infrastructure projects with a budget exceeding \$1 million. This provision applies to new projects and upgrades to existing assets. In this context Public Art means a deliberate and creative initiative where an artist/s is engaged to intentionally integrate the artistic element into the project. Exclusions apply to civil works.

4.6.3. Collaborative Funding

Collaboration with other teams within the Shire is encouraged to explore alternative funding avenues for public art projects. This policy promotes the identification of opportunities to integrate public art into landscape or social needs projects.

4.6.4. Community Project Funding

The community is afforded the opportunity to secure funding for public art projects. Public art grants are available to individuals, community groups, and businesses as deemed relevant. The Shire commits to supporting community and private funding applications through the Creative Communities Coordinator. This support encompasses advisory services, grant application workshops, periodic updates on funding rounds, and cooperative efforts to fund public art projects.

4.6.5. Art in Private Development

Acknowledging the significant impact of public art on Indigo Shire's economic, social, and cultural landscape, this principle applies to projects led by the Shire and privately initiated public artworks. It encourages the private sector to integrate public art as part of new developments, major alterations, and additions.

4.6.6. Percentage for Public Art by Private Development

The Shire will explore opportunities for a prospective requirement regarding a "Percentage for Public Art by Private Development." Under this proposal, a public artwork will be mandated for new developments, major alterations or additions exceeding a certain value threshold. The budget for the public artwork will be determined as a percentage of the overall development costs, potentially as a fixed percentage or following a sliding scale. This requirement would become a condition of approval, linked to key construction milestones such as the issuance of a Construction Certificate and Occupation Certificate.

PUBLIC ART POLICY



6. RELATED POLICIES AND DIRECTIVES

- Procurement Policy
- Community Engagement Policy
- Public Transparency Policy

7. RELATED LEGISLATION AND OTHER DOCUMENTS

- *Local Government Act 2020*
- *Copyright Amendment (Moral Rights) Act 2000*

8. REVIEW

The policy will be reviewed in line with Council's Community Engagement Policy.

Trigger points that require an earlier review period of the policy or associated document/s include (but are not limited to):

- change in legislation which has a bearing on the document
- change in senior management
- change in Council's position on a particular subject area
- recommendation from a governance body (eg Audit and Risk Committee recommendation, Internal or External Audit Recommendation, integrity agency)
- quality assurance due to continuous improvement initiatives, and/or
- changes in Council's agreed service levels.

9. COMMUNICATION

- Council's key community engagement relating to its Public Art policy is through the Creative Indigo Arts and Culture Strategy. This Strategy articulates the community's collective vision for the cultural life of the Shire, and guides the allocation of Council resources and efforts, identifying key priorities for the next five years.
- To be published on Council's website and provided to Customer Service Centres for public inspection
- To be distributed to staff

13.1

MARCH CAPITAL WORKS REPORT

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Last Update 5/04/24

Project Name	Project Type	EXPENDITURE								INCOME			Current Stage	Project Manager Comments March	Project Locality	Type - ISC or Non-ISC
		Q2 Forecast	Savings/Overrun (Budget Variance)	Proposed Carry Forwards to 2024/25 (Timing Variance)	Additions to the Q2 Forecast	March Actuals	YTD Actuals	Multi-Year Projects		Q2 Forecast	March YTD Actual Income	YTD Actuals				
								PREVIOUS Yrs Expenditure Total June 30 2023 (If applicable)	TOTAL Expenditure to Date (Multi-Year Projects)							
Land																
Tangambalanga Industrial Estate - Stage 2	Upgrade	5,000	0				0	46,314	46,314				Completed	Certification of the planning conditions received.	Tangambalanga	ISC
Land Improvements																
Transfer Station Monitoring Bores	Renewal	50,000	0	20,000			0	0	0				Implementation Underway	Consultant engaged for installation and monitoring of ground water wells.	Beechworth	ISC
Community Facilities																
Public Toilet Renewals	Renewal	40,000	40,000	20,000			0	0	0				Implementation Underway	Consultant working on a strategic strategy. Quotations being obtained for some priority improvement works.	Shire Wide	ISC
Kindergarten Buildings	Upgrade	11,523	0				0	0	0				Installation Underway	Quotes obtained for remaining site works.		ISC
Chiltern Community Hub-Construction	New	200,000	-200,000	0		11,976	147,268	4,169,648	4,316,916				Completed	Minor works being completed - additional lighting over book shelves. Front entrance ramp alignment has been altered.	Chiltern	ISC
Chiltern kindergarten playground and external works	New	10,000	94,015	199,808			0	0	0	(183,823)		-	Planning		Chiltern	ISC
Chiltern Senior Citizens Clubrooms	Upgrade	10,000	0	75,500		962	11,067	0	11,067	(85,500)		(85,500)	Planning	Design being revied by Building Surveyor and spec developed.	Chiltern	isc
Rutherglen Senior Citizens Clubrooms	Upgrade	15,000	0	8,850			12,282	2,350	14,632	(23,850)		(23,850)	Planning	Design being revied by Building Surveyor and spec developed.	Rutherglen	ISC
Changing Places, Chiltern	Upgrade	15,000	0	165,000		1,710	12,552	0	12,552	(180,000)		(180,000)	Planning	Design being revied by Building Surveyor and spec developed.	Chiltern	ISC

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Project Name	Project Type	EXPENDITURE								INCOME			Current Stage	Project Manager Comments March	Project Locality	Type - ISC or Non-ISC
		** Note - Carry								Multi-Year Projects						
		Q2 Forecast	Savings/Overrun (Budget Variance)	Proposed Carry Forwards to 2024/25 (Timing Variance)	Additions to the Q2 Forecast	March Actuals	YTD Actuals	PREVIOUS Yrs Expenditure Total June 30 2023 (If applicable)	TOTAL Expenditure to Date (Multi-Year Projects)	Q2 Forecast	March YTD Actual Income	YTD Actuals				
Changing Places, Yackandandah	New	65,000	-41,377			0	64,082	380,777	444,860	-		-	Completed	All works completed.	Yackandandah	Non-ISC
Tangambalanga - Lions Solar installation	Upgrade	0	0			-	0	33,222	33,222	(11,353)		-	Completed	All works completed.	Tangambalanga	ISC
Rutherglen Maternal Child Health Centre	Upgrade	10,000	0	55,000		1,804	8,556	0	8,556	(65,000)		(65,000)	Planning	Design being reviewed by Building Surveyor and spec developed.	Rutherglen	ISC
Beechworth Kindergarten / Childcare Renewals	Renewal	10,346	0	0			557	15,056	15,613				Construction Underway		Beechworth	ISC
Air condition / Heating system renewals	Renewal	25,000	0	0			2,204	0	2,204				Planning		Shire Wide	ISC
Demolition of Chiltern Farm House		45,557	-557	0			45,557	0	45,557				Completed	Site works completed.	Chiltern	ISC
Tangambalanga Community Centre	Renewal	30,000	0	0			0	0	0				Planning		Shire Wide	ISC
Museums & Historical Sites																
Chiltern Athenaeum - Solar installation	Upgrade	37,248					1,793	25,117	26,910	(24,359)			Construction Underway	Panels installed on to the roof. Meter box works to proceed in conjunction with building.	Chiltern	ISC
Beechworth Burke Museum	Upgrade	48,100	0	40,000		5,195	5,195	1,800	6,995	(79,110)		(79,110)	Construction Underway	Off site building works continuing.	Beechworth	ISC
Painting of Historic Buildings	Renewal / Upgrade	41,813	0	0			0	0	0				Implementation Underway	Will be delivered as part of other works; Chiltern Athenaeum, Court House, and other sites	Shire Wide	ISC
Chiltern Athenaeum	Renewal	93,352	-80,000			1,953	55,881	176,648	232,529	(12,000)			Construction Underway	Works are continuing with painting and final finishes .	Chiltern	ISC
Beechworth Historic Precinct Renewal- Courthouse Kelly Trials Experience	Renewal / Upgrade	625,000	-388,215			51,464	482,472	762,820	1,245,292	(117,324)			Construction Underway	Courthouse closed, for the completion of physical works. Fitout and installation nearing completion.	Beechworth	ISC
Public Halls																

Last Update 5/04/24

Project Name	Project Type	EXPENDITURE								INCOME			Current Stage	Project Manager Comments March	Project Locality	Type - ISC or Non-ISC
		** Note - Carry								Multi-Year Projects						
		Q2 Forecast	Savings/Overrun (Budget Variance)	Proposed Carry Forwards to 2024/25 (Timing Variance)	Additions to the Q2 Forecast	March Actuals	YTD Actuals	PREVIOUS Yrs Expenditure Total June 30 2023 (If applicable)	TOTAL Expenditure to Date (Multi-Year Projects)	Q2 Forecast	March YTD Actual Income	YTD Actuals				
Yackandandah Public Hall	Renewal	0		15,000			0	0	0				Planning	Will be carried over to 24/25 FY with additional budget required		
Rutherglen Memorial Town Hall Roof	Renewal	10,000		450,000			2,476	0	2,476				Planning			
Swimming Pool Facilities																
Swimming Pool Renewal Works	Renewal	50,000		25,000			3,871	0	3,871				Installation Underway	Maintenance and upgrades being carried out following season close.	Shire Wide	ISC
Swimming Pool Renewal Works	Renewal	159,282		20,000			101,463	150,718	252,181				Installation Underway	Maintenance and upgrades being carried out following season close.	Shire Wide	ISC
Pool Liner Installation	Renewal	307,432	-150,000			15,905	18,314	2,522	20,836				Procurement Underway	Contractor has ordered the new liner.	Beechworth	ISC
Municipal Offices																
Key Security System Renewal & Compliance	Upgrade	21,011		60,000			0	18,989	18,989				Procurement Underway			
Beechworth Office Energy Efficiency Improvements.	Upgrade	15,000		23,350		905	2,642	5,347	7,989				Procurement Underway		Beechworth	ISC
Yackandandah Office - Lower Level Storage	Upgrade	10,000		60,000		420	3,786	0	3,786				Planning	Design development underway, to review project scope and budget.	Yackandandah	ISC
Council EV Chargers	New	65,440	-20,000			716	59,482	7,488	66,970	(28,352)			Installation Underway	EV charger sites are nearing completion. 6 of 7 installed and operational.	Yackandandah	ISC
Energy Efficiency Improvements Program	Upgrade	5,000		35,000		-	0	0	0				Planning		VARIOUS	ISC
Energy Efficiency Improvements Program	Upgrade	11,450	20,000			0	0	0	0				Procurement Underway		VARIOUS	ISC

Last Update 5/04/24

Project Name	Project Type	EXPENDITURE								INCOME			Current Stage	Project Manager Comments March	Project Locality	Type - ISC or Non-ISC
		Q2 Forecast	Savings/Overrun (Budget Variance)	Proposed Carry Forwards to 2024/25 (Timing Variance)	Additions to the Q2 Forecast	March Actuals	YTD Actuals	Multi-Year Projects		Q2 Forecast	March YTD Actual Income	YTD Actuals				
								PREVIOUS Yrs Expenditure Total June 30 2023 (If applicable)	TOTAL Expenditure to Date (Multi-Year Projects)							
		** Note - Carry														
Replacement Site Hut - Ruthglen Transfer Station	Upgrade	17,820	-17,820			0	17,820	0	17,820				Completed	Works completed. Facility in place and operational.	Rutherglen	ISC
Motor Vehicles & Plant																
Fleet Replacement	Renewal	265,584		100,000		0	152,029	385,574	537,603	(35,298)		(19,846)	Procurement Underway		Miscellaneous	ISC
Plant Replacement	Renewal	630,005		1,000,000		202,370	520,671	560,439	1,081,110	(23,900)	(25,000)	(48,900)	Procurement Underway		Miscellaneous	ISC
Minor Plant	Renewal	30000				5868.53	21,269	0	21,269		-10400	(10,400)	Procurement Underway		Miscellaneous	ISC
Furniture & Equipment																
Public Place Recycling	Upgrade	25,000					0	0	0				Planning	Ordering new facilities for Town hall gardens	Shire Wide	ISC
Council Chambers - replacement of chairs	Renewal	5,950	9,050				5,950	0	5,950				Completed	New chairs delivered	Beechworth	ISC
Street & Park Furniture - Renewal	Renewal	32,000				221	11,533	43,505	55,037				Implementation Underway		Shire Wide	ISC
Play Equipment Replacement	Renewal	76,975					43,301	58,988	102,289				Implementation Underway	Planning for delivery of next priority.	Shire Wide	ISC
Computers & Telecommunications																
IT Renewal Priorities	Renewal / Upgrade	50,000		50,730			6,043	80,541	86,583				Planning	IT Manager, is reviewing business case needs and priorities.	Miscellaneous	ISC
Key Systems Upgrade Project (Datascape CRM enhancements)	Renewal / Upgrade	0		0			0	166,342	166,342				Planning	IT Manager, is reviewing business case needs and priorities.	Miscellaneous	ISC
IT Strategy Implementation	Renewal / Upgrade	0		0		375	18,676	103,380	122,056				Planning	IT Manager, is reviewing business case needs and priorities.	Miscellaneous	ISC

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Project Name	Project Type	EXPENDITURE								INCOME			Current Stage	Project Manager Comments March	Project Locality	Type - ISC or Non-ISC
		Q2 Forecast	Savings/Overrun (Budget Variance)	Proposed Carry Forwards to 2024/25 (Timing Variance)	Additions to the Q2 Forecast	March Actuals	YTD Actuals	Multi-Year Projects		Q2 Forecast	March YTD Actual Income	YTD Actuals				
								PREVIOUS Yrs Expenditure Total June 30 2023 (If applicable)	TOTAL Expenditure to Date (Multi-Year Projects)							
		** Note - Carry														
Computer Replacement Program	Upgrade	80,000		50,500		-7,915	18,799	89,110	107,910				Planning	IT Manager, is reviewing business case needs and priorities.	Miscellaneous	ISC
IT refresh for Finance Systems	New	15,000	0	250,000			0	0	0				Planning	IT Manager, is reviewing business case needs and priorities.	Miscellaneous	ISC
Human Resource Information System RFP	New	205,000		60,000		9,165	37,067	76,436	113,503				Design	IT Manager, is reviewing business case needs and priorities.	Miscellaneous	ISC
Project Management Online	New	20,000		60,000		630	1,050	0	1,050				Planning	IT Manager, is reviewing business case needs and priorities.	Miscellaneous	ISC
Bin management database upgrade	New	15,000		0		1,642	1,642	0	1,642				Planning	IT Manager, is reviewing business case needs and priorities.	Miscellaneous	ISC
Datascape		15,000		150,000												
Electronic Timesheets	New	15,000		150,000									Planning	IT Manager, is reviewing business case needs and priorities.		
Other IT priorities		0		71,070									Planning	IT Manager, is reviewing business case needs and priorities.		
SUBTOTAL IT Projects		415,000	0	842,300	0	3,897	83,276									
Library Books																
Library Stock Items - Chiltern Library	New	15,000				1,500	1,500	0	1,500				Procurement Underway	Orders being placed regularly, with stock being received.	Chiltern	ISC
Library Stock Items	Renewal	65,000				7,952	42,275	0	42,275	(65,000)	(661)	(846)	Procurement Underway	Orders being placed regularly, with stock being received.	Shire Wide	ISC
Premier's Reading Challenge	New	7,000				1,030	4,073	0	4,073		(6,601)	(6,601)	Procurement Underway	Orders being placed regularly, with stock being received.	Shire Wide	ISC
Bridges																
Guard Rail Renewal Works	Renewal	19,000				129	129	0	129			-	Planning		Shire Wide	ISC

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		** Note - Carry														
Indigo Creek Road Bridge	New	150,000	-30,602	1,403,016		5,568	31,421	0	31,421	(1,242,414)		-	Procurement Underway	Design and Construct contract to be advertised by March.		ISC
Bridge Renewal Works	Renewal	104,180	30,595	328,600		1,132	86,218	0	86,218			-	Planning	Notification received of unsuccessful Federal grant funding. Renewal works to be reviewed.	Shire Wide	
Footpaths & Cycleway																
Beechworth footpath renewal and risk reduction.	Upgrade	3,460					187	35,997	36,184			-	Planning		Beechworth	ISC
Gravel Cycle Hub infrastrucure	New	0			26,000	14,611	14,611						Completed			
Epic Mountain Bike Track	New	68,862		14,106			40,284	1,866,384	1,906,667	(1,000,000)		-	Completed		Miscellaneous	ISC
Alma Road Path, Beechworth	New	14,682					0	87,568	87,568			-	Completed		Beechworth	ISC
Footpath upgrade program	Upgrade	55,000					1,744	73,463	75,207			-	Planning	Being investigated by ISC Opeations group, for internal delivery.	VARIOUS	ISC
Rutherglen Wine Walk Cycle Trail	New	1,500,000		3,464,641		35,956	966,640	148,185	1,114,825	(1,650,000)		(209,782)	Construction Underway	Planning permit and approvals received for three section.	Rutherglen	ISC
Traton Street Footpath	New	175,000	-12,535				172,463	7,402	179,865			-	Completed	Site works completed.	Wahgunyah	ISC
Footpath Renewals	Renewal	45,686		40,000			9,859	11,222	21,081			-	Construction Underway		VARIOUS	ISC
Harper Avenue - Beechworth	New	57,098				1,486	4,023	2,849	6,872			-	Planning	Design completed. Being investigated by ISC Opeations group, for internal delivery.	Beechworth	ISC

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Project Name	Project Type	EXPENDITURE								INCOME			Current Stage	Project Manager Comments March	Project Locality	Type - ISC or Non-ISC
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		Q2 Forecast	Savings/Overrun (Budget Variance)	Proposed Carry Forwards to 2024/25 (Timing Variance)	Additions to the Q2 Forecast	March Actuals	YTD Actuals	PREVIOUS Yrs Expenditure Total June 30 2023 (If applicable)	TOTAL Expenditure to Date (Multi-Year Projects)	Q2 Forecast	March YTD Actual Income	YTD Actuals				
Peach Drv - shared path	New	152,000	-63,925			41,840	128,259	0	128,259	(5,075)		-	Construction Underway	Construction underway with ISC Opeations group. Steady progress being made.	Barnawartha	ISC
Beechworth to Yackandandah Rail Trail																
All earlier sections	new					0	33,934	4,801,538	4,835,472			-	Completed			
SECTION 7 - Kibell Lane	New	587,309		100,000		4,455	416,396	412,683	829,079			-	Completed	Works nearing completion. Sealing completed.		
Rail Trail Wayfinding & Signage	New					13,385	28,039	31,924	59,963			-	Completed	Sign designs and layout, and planning matters being reviewed		
Rail Trail - Project Management	New					4,187	49,801	1,166,547	1,216,348			-	Implementation Underway			
SUBTOTAL AND OVERALL BUDGET LINE - RAIL TRAIL	New	587,309	0	100,000	0	22,028	494,235	6,412,692	6,940,861			-			Miscellaneous	ISC
Kerb & Channel																
Drainage improvements to High Street Rutherglen	New	65,704		20,000		43,292	52,489	4,353	56,842			-	Construction Underway		Rutherglen	ISC
Havelock Street Barnawartha	New	47,986		30,000			199	0	199			-	Planning		Barnawartha	ISC
Kerb and channel replacement	Renewal	100,000		40,000			6,034	6,242	12,276			-	Construction Underway			ISC
Rural Roads																
Twist Creek Road, Yackandandah	Upgrade	5,000		94,942		129	259	0	259			-	Planning		Yackandandah	ISC
Final Seals Program	Renewal	144,000					76,749	0	76,749			-	Implementation Underway	Contract awarded, and program nearing completion.	Shire Wide	ISC
Roads Major Patching	Renewal	373,000				60,972	377,986	0	377,986			-	Completed	Contract works are completed.	Shire Wide	ISC
Resealing Program	Renewal	601,000					516,513	0	516,513			-	Completed	Contract works are completed.	Shire Wide	ISC

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		** Note - Carry														
Road design and planning	Upgrade	100,000	0	53,000		12,567	38,315	0	38,315			-	Planning	Ongoing design activities.	Shire Wide	ISC
Resheeting program	Renewal	636,000				188,066	290,087	0	290,087			-	Implementation Underway	Road resheeting program approx 50% complete.	Shire Wide	ISC
Sealed Pavement Rehabilitation	Renewal	25,000		514,313		323	3,217	0	3,217			-	Design	Geotech investigation complete, and pavement design occurring.	Shire Wide	ISC
Kibell Lane Upgrade	Upgrade	305,000					305,000	0	305,000			-	Completed	Delivered as part of the wider Rail Trail works.	Beechworth	ISC
Roads to recovery income	Renewal						0	0	0	(1,905,030)		-		Income tracking only.		
LRCIP Round 1 Income										(120,599)				Income tracking only.		
LRCIP Round 2 Income										(575,691)				Income tracking only.		
LRCIP Round 3 Income	Renewal						0	0	0	(1,370,982)		(698,067)		Income tracking only.		
LRCIP Round 4A Income														Income tracking only.		
LRCIP Round 4B Income	Renewal						0	0	0	(616,313)		-		Income tracking only.		
Urban Roads																
Wood Street, Beechworth	Upgrade	11,781				-	0	0	0			-	Planning	Being investigated by ISC Opeations group, for internal delivery.	Beechworth	ISC
Taylor Street Beechworth	Upgrade	0		24,000			0	0	0			-	Planning	Being investigated by ISC Opeations group, for internal delivery.	Beechworth	ISC
Barkly Street, Beechworth	Upgrade	50,000					0	0	0			-	Planning	Being investigated by ISC Opeations group, for internal delivery.	Beechworth	ISC
Gordon Street, Chiltern	Upgrade	0		22,000			0	0	0			-	Planning	Being investigated by ISC Opeations group, for internal delivery.	Chiltern	ISC
Kars Street, Yackandandah	Upgrade	18,000					0	0	0			-	Planning	Being investigated by ISC Opeations group, for internal delivery.	Yackandandah	ISC
McLean Street, Chiltern	Upgrade	85,000				-	0	0	0			-	Planning	Being investigated by ISC Opeations group, for internal delivery.	Chiltern	ISC

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Streetscape Works																
Tangambalanga Streetscape Development	Renewal / UpGrade	30,000		50,000		3,590	3,590	0	3,590			-	Implementation Underway	Design consultant engaged.	Tangamba	ISC
Drainage																
Rural Road Drainage (2023-24 program)	Renewal	91,316		0		2,126	32,613	0	32,613			-	Installation Underway		BeechworthShire Wide	ISC
Heritage drain rehabilitation	Renewal	47,000				6	702	0	702			-	Procurement Underway		BeechworthShire Wide	ISC
Urban Drainage Improvements	Renewal / UpGrade	364,184		100,000		7,229	224,646	321,816	546,462			-	Construction Underway		VARIOUS	ISC
Rutherglen Drainage Improvements	Renewal	33,037					0	43,823	43,823			-	Construction Underway		Rutherglen	ISC
Flood Damage Events - DRFA																
Bells Flat Road Landslide – FE22	Renewal / UpGrade						0	0	0			-	Completed		Yackandandah	ISC
Gooramadda Rd Major Culvert Replacement - FE22												(338,407)				
Indigo Ck Rd Major Culvert Failure & Bridge Replacement - FE22												(260,000)				
Rocky Mountain Tunnel Inlet Repairs	Renewal / UpGrade						0	0	0			-	Planning		Indigo	ISC
Plemings Rd Bridge Repairs	Renewal / UpGrade					-	0	0	0			-	Planning		Indigo	ISC
Flood Repairs																
Parks, Openspace & Streetscape																
Water Bubblers	New	36,600		6		632	3,651	2,998	6,649			-	Planning	Progress has recently been made on the removal of the Camp St unit. Design finalised of a heritage sympathetic unit.	Shire Wide	ISC

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Kiewa River Land	Renewal / UpGrade	90,000		113,586		34,623	113,305	0	113,305	(73,586)		(64,483)	Construction Underway	Site works ongoing. Lawn and path areas established.	Kiewa	ISC	
Tangambalanga Active Park - Shade Sail	New	50,000				1,998	6,678	0	6,678	-		-	Construction Underway	Will be delivered as part of the awarded pump track project. Poles installed.	tangambalanga	ISC	
Lake Sambell Precinct Revitalisation	Renewal / UpGrade	27,226					6,873	467,491	474,364			-	Completed		Beechworth	ISC	
Recreation Reserves																	
Chiltern Caravan Park	Renewal / UpGrade	137,394	-38,657				137,394	0	137,394			-	Completed	Works completed	Chiltern	ISC	
Rutherglen Skate park extension works	Renewal / UpGrade	200,000		65,255		142,436	252,888	0	252,888	(18,000)		-	Completed	Works complete, with shelter and site tidy up to be completed.	Rutherglen	ISC	
Caravan Park Renewal	Renewal	5,000	38,657	6,343			0	0	0			-	Planning		VARIOUS	ISC	
Lake Sambell Caravan Park Cabin	Renewal	200,000	-30,492	10,000		60,480	165,044	0	165,044	(179,508)		(179,508)	Installation Underway	Cabin under construction and awaiting site works.			
Kiewa Bowls Club	Renewal	140,347					140,347	0	140,347	(39,476)		(39,476)	Completed		Kiewa	ISC	
Chiltern Tennis Courts	New	264,417		200,000		97,874	149,113	0	149,113	(308,417)		(268,417)	Construction Underway	Works now advancing well. Light poles, drainage, and concrete pavement underway.	Chiltern	ISC	
Community & Tourism Projects	New	80,000				490	45,759	0	45,759			-	Planning	Listing of suitable projects has been developed and endorsed. Initial funds issued to Light upgrades at Speedway	VARIOUS	ISC	
Recreation Projects						245	2,200										
Master Planning - Recreation Plan	New	100,000					10,217	0	10,217			-	Procurement Underway	Listing of suitable projects has been developed and endorsed. Initial funds issued to Light upgrades at Speedway	VARIOUS	ISC	

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Baarmutha Park Cricket Nets	New	31,326		340,000		728	37,292	0	37,292	(150,000)		(50,000)	Planning	Design being reviewed in conjunction with park user groups. Design work occurring for facilities.		
Tangambalanga Pump Track	New	196,023		100,000		5,268	30,685	0	30,685	(145,523)		(130,523)	Procurement Completed / Awaiting Construction	Contractor commenced on site.	Tangambalanga	ISC
Wahgunyah Pump Track	New	197,774		100,000		8,898	30,991	0	30,991	(147,902)		-	Procurement Completed / Awaiting Construction	Design and Construct tender awarded. Design being completed.	Wahgunyah	ISC
Baarmutha Park Lighting	Upgrade	233,441	-50,000	122,779		525	23,198	0	23,198	(247,752)		(225,752)	Construction Underway	Contractor commenced on site, with excavation works for the installation of electrical conduit.	Beechworth	ISC
Non - ISC Assets																
Kergunyah Hall Upgrade	Renewal	350,000	0	164,030		148,586	377,989	25,565	403,554	(285,173)		(285,173)	Construction Underway	Construction works well advanced. Finishing off activities underway.	Kergunyah	Non-ISC
Chiltern Recreation Reserve	New	75	-75				75	49,539	49,614	(2,500)		(2,500)	Completed		Chiltern	ISC
Butson park lighting upgrade	Expansion	201	-201				201	138,803	139,004	(30,000)		-	Completed		Yackandandah	ISC
Barnawartha Netball & Tennis Courts	Renewal / UpGrade	719,698				3,606	703,111	18,275	721,386	(479,311)		(424,509)	Completed	Works completed, with a few minor defects and omissions to be addressed.	Barnawartha	Non-ISC
Yackandandah Golf Club	Renewal / UpGrade	20,000		514,285		7,987	17,369	0	17,369	(223,285)		(223,285)	Planning	Detailing up tender documentaion, for advertisement.	Yackandandah	Non-ISC

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								PREVIOUS Yrs Expenditure Total June 30 2023 (If applicable)	TOTAL Expenditure to Date (Multi-Year Projects)							
Carlyle Cemetery	Upgrade	45,000					0	0	0			-	Procurement Completed / Awaiting Construction	Scope defined, for drainage and surface water improvements	Carlyle	Non-ISC
Barnawartha Cricket Nets	Upgrade	45,000	12,315				43,688	0	43,688	(105,000)		(15,000)	Completed	Works completed.	Barnawartha	Non-ISC
Barkly Park - Female change rooms	Upgrade	10,000		340,000		2,007	5,839	0	5,839	-		-	Planning	Detailing up tender documentaion, for advertishment.	Rutherglen	Non-ISC
						16515.66	132,997	0	132,997			(132,902)				
		12,872,695	-879,824	11,589,710	26,000	1,289,793	8,294,507	17,087,800	25,232,499	(12,454,813)	(42,662)	(3,469,431)				
		11,682,721	-891,863	10,571,395	26,000	1,127,608	7,146,234	16,855,617	23,852,043	(11,329,544)	(42,662)	(2,518,964)				
		1,189,974	12,039	1,018,315	0	162,185	1,148,273	232,183	1,380,455	(1,125,269)	-	(950,467)				

14.2

COUNCIL PLAN 2023/2024 - QUARTER 3 PROGRESS REPORT

1	Council Plan Actions 2023-2024 - Quarter 3	231
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COUNCIL ACTION PLAN 23 - 24

Council Plan Ref:	Council Plan Action	2023/24 Action	Directorate	Service Area	Responsible Officer	Status	Q3 Update
Theme 1: Communities							
1.1.3	Progress the key priorities of the Active Indigo Plan	Undertake a tendering processes to determine the next management model for Indigo Shire Council Pools.	Community and Economic Development	Recreation	Active Indigo Officer	On Track	Process remains on track to commence in April and be completed by June in line with the contractual obligations to the current operator.
1.1.4	Progress the key priorities of the Plays Parks Strategy	Identify and scope one playpark for upgrade and identify appropriate funding streams.	Community and Economic Development	Recreation	Active Indigo Officer	On Track	Funding announcements pertaining to Tiny Towns applications will be made in May. Funded projects must be completed within 18 months of signing the funding agreement.
1.1.5	Progress the key priorities of the Pools Development Plan	Paint the Chiltern Swimming Pool including toddlers and babies pool.	Community and Economic Development	Recreation	Active Indigo Officer	On Track	Included in the swimming pools renewals program for 24/25.
1.1.6	Progress the key priorities of the Lakes and Waterways Plan	Support the Allans Flat Committee to improve the toilet facilities.	Community and Economic Development	Recreation	Active Indigo Officer	Completed	Has been captured in the scope of the Indigo Shire Council public toilet strategy.
1.1.8	Explore opportunities to co-locate Maternal and Child Health services with Children's Hubs, and identify a model and funding for an early years hub in Beechworth	Finalise a recommendation to Council regarding the preferred site for a new Early Years Centre in Beechworth.	Community and Economic Development	Early Years	Early Years Officer	On Track	Report summarising the background and recommendations pertaining to the Beechworth Early Years Hub Working Group has been presented to executive management team and will now progress to Council.
1.1.9	Raise awareness of family violence in the community and participate in the Ovens Murray Family Violence Partnership (MPHWP Action Plan)	Deliver 16 Days of Activism activities.	Community and Economic Development	Community Development	Coordinator Creative Communities	Completed	
1.1.10	Implement the Indigo Shire Municipal Public Health and Wellbeing Action Plan (MPHWP Action Plan)	Finalise the Diversity and Inclusion Policy.	Community and Economic Development	Community Development	Manager Community Development	On Track	Draft policy has been prepared and is scheduled for presentation to Council at the June meeting.
1.1.11	Develop a Master Plan for the Allans Flat Recreation Reserve Precinct	Engage a consultant and complete the Master Plan.	Community and Economic Development	Community Development	Manager Community Development	Completed	Master plan endorsed by Council at February meeting.
1.1.12	Determine the future development of the Beechworth Pool and advocate for funding	Source Funding to complete further site investigations and planning.	Community and Economic Development	Recreation	Active Indigo Officer	On Track	Local Sports Infrastructure Fund application outcomes will be announced in April.
1.2.1	Develop opportunities for older adults to be connected, and to use emerging technology and communication platforms	Deliver programming in libraries to support seniors technology skill development.	Community and Economic Development	Ageing Well	Ageing Well Officer	Completed	Planning underway for Seniors Month 2024.
1.2.2	Advocate for improved access to and reliability of public transport for residents, including those with mobility impairments	Capture any public transport needs during community engagement as part of the Life Stages Plan development.	Community and Economic Development	Ageing Well	Ageing Well Officer	On Track	Participating in a locally formed group who are meeting to find community-led solutions to the current transport issues facing residents in Beechworth.
1.2.3	Undertake an access audit of sport and recreation facilities and clubs to identify areas to improve access for people of all abilities	Develop a Fair Access Policy.	Community and Economic Development	Recreation	Recreation Officer	On Track	Planning and development of the Fair Access Policy has commenced and is on track for completion by the July 2024 deadline.
1.2.4	Progress the key priorities of and review and update Council's Ageing Well Strategy, Youth Strategy, Tourism Strategy, Economic Development Strategy, Library Strategy and Early Years Strategy	Develop a draft Life Stages Plan (EY, Youth and Ageing Well Strategies combined). Complete a review of the Library Service Strategy and report to Council on progress.	Community and Economic Development	Community Development	Manager Community Development	On Track	Development of the Life Stages Plan is scheduled to commence in May. Library Strategy is under review and a report is scheduled for the September Council meeting.
1.2.5	Advocate to Federal and State Government regarding early years funding models to ensure service viability in small regional towns	Ensure sustainability of early years services governance models across the Shire.	Community and Economic Development	Community Development	Manager Community Development	On Track	Workforce planning grant has commenced. KISP will commence shortly.
1.2.6	Target children's literacy with inspiring and engaging library programs and collections	Deliver Big Summer Read Program, Children's Book Week, Children's Week, Science Week, National Simultaneous Storytime and weekly Story Time Programming.	Community and Economic Development	Creative Communities	Coordinator Creative Communities	Completed	Ongoing session delivery.
1.3.2	Host accessible events and training opportunities for young people that are safe, fully supervised, drug, alcohol and smoke-free (MPHWP Action Plan)	Deliver Freeza Events including Skate Park and music events..	Community and Economic Development	Youth	Youth Officer	On Track	Contributed to providing youth activity at Pride Fair Day held in Wangaratta. Delivered the Taste of Arts Rutherglen Young artist award. Delivered the Northeast Skate Park series 1 in Rutherglen, coinciding with the launch of the Rutherglen Skate Park extension. Delivered the Emerging Artist stage at Yackandandah Folk Festival including a community drumming session. Delivered youth and community activities at Kiewa primary school fete.
1.3.4	Facilitate opportunities for young people to build their capacity and learn new skills (MPHWP Action Plan)	Complete YacVic future proof training for young people.	Community and Economic Development	Youth	Youth Officer	Completed	



COUNCIL ACTION PLAN 23 - 24

Council Plan Ref:	Council Plan Action	2023/24 Action	Directorate	Service Area	Responsible Officer	Status	Q3 Update
1.4.1	Support connections between Aboriginal and Torres Strait Islander people and Shire-wide cultural organisations, and invite Aboriginal and Torres Strait Islander people for inclusion of voice in Cultural Heritage programs	Engage with Traditional Owner groups regarding relevant projects which may provide an opportunity for cultural heritage recognition and truth telling, including infrastructure projects and projects which showcase local history.	Community and Economic Development	Community Development	Director Community and Economic Development	On Track	Commissioning of Artwork for the next RAP - First Nations artists who have a connection to Country in Indigo Shire have been invited to submit proposals, Council will commission the work, and licence for use in reconciliation related activities. Project planning for Connect to Country program at Lake Moodemere. Design of Acknowledgement signage for public places commenced. Kinnaway supplier engaged.
1.4.2	Respect and advance repatriation of indigenous collections	Continue to work with First Nations groups to repatriate objects.	Community and Economic Development	Burke Museum & Historic Precinct	Manager Burke Museum & Cultural Heritage	On Track	Repatriation discussions continue. Collections Manager re-established communications with the Kaurua people and State Library.
1.4.3	Adopt and implement the actions of the Reconciliation Action Plan	Finalise all outstanding actions for the current Reflect RAP and commence development of new RAP for Council consideration.	Community and Economic Development	Community Development	Manager Community Development	Completed	Reconciliation projects, NAIDOC and National Reconciliation Week are in development.
1.5.1	Develop an Arts Strategy for Indigo Shire and progress key priorities	Encourage initiatives that facilitate intergenerational skills transfer (2.3) Develop and facilitate a mentorship program.	Community and Economic Development	Community Development	Manager Community Development	On Track	Creative workshops have been delivered in partnership with libraries which focused on local artists delivering to young people and early year markets. The program planned for 2024 will continue with local artists delivering workshops. A holistic training project, including pathway initiatives for professional practice for young (economic outcomes) is in development with grant funding being sought.
1.5.2	Support community creative initiatives including art shows, exhibitions and events	Support Yackandandah Folk Festival, Offgrid and Golden Horseshoes Festivals.	Community and Economic Development	Community Development	Coordinator Creative Communities	Completed	All Council actions for the significant events for the 23/24 FY have been completed.
1.5.3	Support a variety of creative arts and culture events across the Shire	Support the delivery of Dragged Out Beechworth.	Community and Economic Development	Community Development	Manager Community Development	Completed	Post event meeting and evaluation completed.
1.5.4	Explore and support public art opportunities throughout the Shire	Finalise the Public Art Policy and develop a process for commissioning traditional owner art.	Community and Economic Development	Community Development	Manager Community Development	On Track	Draft Public Art Policy is booked into the April Council meeting.
1.6.1	Implement a Disability Action Plan and progress key priorities	Identify access improvements across ISC facilities to apply for a Universal Design grant application.	Community and Economic Development	Ageing Well	Ageing Well Officer	On Track	Rutherglen MCH clinic access improvements project is out for tender along with Chiltern Changing Places project.
1.6.2	Foster safety and inclusion for LGBTQI+ residents via social support groups and celebrate LGBTQI+ events e.g. IDAHOBIT Day / Pride Flag raising on culturally significant days, Rainbow Ball	Deliver Rainbow Ball in 2023/24 and celebrate IDAHOBIT Day in 2024.	Community and Economic Development	Youth	Youth Officer	On Track	Review of MOU with North East Pride Collective Network for future events continues.
1.7.1	Participate with communities and other agencies to support and educate community resilience through education and planning	Deliver 72 its up to you program in partnership with community and response agencies.	Community and Economic Development	Community Development	Manager Community Development	On Track	The first 2 of 14 booked "the first 72 Hours" workshops has been delivered. Public advertising and bookings for the remainder events is scheduled.
1.7.2	Advocate to government for higher levels of support and resources to prepare for, respond to, and recover from emergency events	Draft a letter to appropriate State and Federal government contacts to advocate for ongoing EFT funding for emergency management.	Community and Economic Development	Community and Economic Development	Director Community & Economic Development	On Track	In the 2023 year Council received funding from the state government through four separate programs for emergency management / recovery initiatives. All four of these projects are now underway.
1.7.3	Continue to advocate for improved ambulance response times and additional resources	Continue to advocate for improved ambulance response times and additional resources	Office of the CEO	Office of the CEO	Chief Executive Officer	On Track	Active advocacy continues at each relevant opportunity.
Theme 2: Liveability							
2.1.1	Advocate for greater housing diversity, including affordable and social housing, and ageing-in-place options, which are supported by services and facilities which meet the needs of the community	Progress the recommendation for seniors supported accommodation at the Chiltern Land project.	Community and Economic Development	Ageing Well	Ageing Well Officer	On Track	This is being achieved through the master plan for the Chiltern Land project.
2.1.2	Support the community to develop the Council owned land in Kiewa (former NECMA site) as a community space with public access to the Kiewa River	Finalise the Living Local Grant for amenity improvements at the Kiewa River site.	Community and Economic Development	Recreation	Active Indigo Officer	On Track	Project is on track to be completed by the May 2024 deadline. Significant landscaping works completed late 2023. Larger scale projects i.e. fencing, shelters, outdoor furniture and public art are underway.
2.1.3	Prepare a Residential Housing Strategy including consideration of housing affordability and sustainability	Commence the preparation of the Housing Strategy	Planning and Corporate Services	Planning Services	Manager Planning & Statutory Services	On Track	Work underway, currently scoping bushfire element of the study.



COUNCIL ACTION PLAN 23 - 24

Council Plan Ref:	Council Plan Action	2023/24 Action	Directorate	Service Area	Responsible Officer	Status	Q3 Update
2.1.4	Investigate options to address noncompliance within the area of Statutory Services to protect the natural and built environments	Reapply through next years budget process for a Planning/Building Enforcement Officer	Planning and Corporate Services	Planning Services	Manager Planning & Statutory Services	On Track	The current planning workload limits enforcement activity. High priority cases are being progressed through lawyers. A submission has been made to the budget process for a planning enforcement officer.
2.1.5	Complete a review of Council's Planning Scheme	Planning scheme review complete	Planning and Corporate Services	Planning Services	Manager Planning & Statutory Services	Completed	
2.1.8	Consider opportunities to create a township planning zone in Stanley	Revisit whether Township Zone is the most appropriate zone for Stanley.	Planning and Corporate Services	Planning Services	Manager Planning & Statutory Services	On Track	Background work ongoing. Work expected to be done in house.
2.1.9	Commence Stage 1 Master Plan for Council owned land in Chiltern (Anderson Road Precinct)	Complete the Chiltern Land Community Concept Precinct Plan Project and progress the concept plan through further feasibility and market assessment processes.	Community and Economic Development	Community Development	Manager Community Development	On Track	Regional Precincts and Partnerships Program Grant application has been submitted to progress project planning. Awaiting outcome.
2.2.1	Develop laneways and streetscapes with permanent seating options, shade and water bubblers, that encourages interaction across all age groups	Laneways Project	Community and Economic Development	Economic Development	Economic Development & Investment Coordinator	On Track	After completing a laneway and precinct assessment further opportunities and funding options are continuing to be explored.
2.2.2	Develop a Rutherglen Place Plan and progress key priorities	Continue to work with the Rutherglen Place Plan working group to implement key actions including Skate Park, Barkly Park, RRV Main Street and Off Leash Dog Park.	Community and Economic Development	Community Development	Manager Community Development	On Track	Rutherglen Skate Park upgrade completed. Barkly Park Recreation Reserve Master Plan endorsed by Council. Consultant appointed to master plan Rutherglen Park.
2.2.3	Determine the next priority Placemaking Plans and implement	Present draft Community Plans for Stanley and Barnawartha Communities to Council for adoption.	Community and Economic Development	Community Development	Manager Community Development	On Track	Consultation with the Stanley and Barnawartha communities has been completed with good participation. Community events are being held in April to celebrate the successful consultation and share Community Vision.
2.2.4	Progress the key priorities from the Chiltern Placemaking Plan, Kiewa-Tangambalanga Place Plan and Yackandandah Place Plan through funding opportunities as they become available	Chiltern: Progress Chiltern Land project for additional planning funding. Kiewa: Finalise the Kiewa River access project. Yackandandah: Support art and creativity as part of the economy (2.7)	Community and Economic Development	Community Development	Manager Community Development	On Track	Chiltern: RPPP Grant application completed. Kiewa: Project delivery almost completed.
2.2.5	Develop a strategic open space plan including the consideration of linkages between locations	Continue work and discussions regarding the Open Space Plan as part of the Housing Strategy.	Planning and Corporate Services	Planning Services	Manager Planning & Statutory Services	On Track	On track with further discussions to take place when investigating the format of the housing/growth strategy.
2.2.8	Develop Transportation Plans to guide safe and efficient pedestrian and traffic movement in our key towns	Complete Transportation plans.	Infrastructure Services	Asset Management	Manager Assets & Property	On Track	The contract for the transportation plans has been awarded and the plans are progressing well. Delivery is expected to be on track at the end of May 2024.
2.3.2	Support the use of Council owned facilities, including Senior Citizen Centres, for a broad range of community activities, and opportunities for intergenerational events	Finalise lease agreements for all Senior Citizen Centres.	Community and Economic Development	Ageing Well	Ageing Well Officer	On Track	Senior citizen centre site visits have been scheduled for May. Two separate Expression of Interest opportunities have commenced for occupancy of the Beechworth Plate Layers Cottage and former Beechworth Railway station.
2.3.3	Progress the key priorities of the Asset Management Strategy and Asset Management Plans	Finalise Road and Drainage Asset Management Plans. Continue to progress Pathways Asset Management Plan.	Infrastructure Services	Asset Management	Manager Assets & Property	On Track	The Roads Asset Management Plan is progressing. Expected completion of the Roads Asset Management plan will be in April 2024. Drainage Asset Management Plan to be completed by June.
2.3.5	Develop a Public Toilets Improvement Strategy	Complete the Public toilet Improvement Strategy.	Infrastructure Services	Asset Management	Manager Assets & Property	On Track	The contract for the public toilet strategy has been awarded and the strategy is progressing well. Delivery is expected to be on track at the end of June 2024.
2.4.1	Advocate for, and act on opportunities to enhance the preservation of heritage assets	Progress funding applications for projects that will support the preservation, conservation and enhancement of Councils historic assets.	Community and Economic Development	Community and Economic Development	Director Community and Economic Development	On Track	The Beechworth Historic Precinct has been nominated for a National Heritage Listing. Council has recently joined a partnership to advance the Victorian Goldfields UNESCO World Heritage listing. Both of these campaigns, if successful, will provide significant opportunities for obtaining funding to preserve and enhance some of the heritage assets in the Shire. The soon to be complete Beechworth Courthouse Kelly Trials exhibition has also involved preservation and conservation works to this key heritage asset.
2.4.2	Progress actions to ensure sound management of museum and Athenaeum collections across the community	Secure accreditation. Deliver collections digitisation and cataloguing program.	Community and Economic Development	Burke Museum & Historic Precinct	Manager Burke Museum & Cultural Heritage	On Track	23/24 accreditation and digitisation program delivered. Cataloguing ongoing.



COUNCIL ACTION PLAN 23 - 24

Council Plan Ref:	Council Plan Action	2023/24 Action	Directorate	Service Area	Responsible Officer	Status	Q3 Update
2.4.3	Support programs to continue the prominence of cultural heritage, including appropriate Aboriginal sites	Deliver cross-shire support programs and Historic Precinct website and education programming.	Community and Economic Development	Burke Museum & Historic Precinct	Manager Burke Museum & Cultural Heritage	On Track	Education programs ongoing. Scoping of HP website commencing Q4. Victorian Goldfields Masterplan Draft completed.
2.4.4	Improve the accessibility of Council's historic buildings	Implement review of existing accessibility studies and prioritise work for future Capital Works Program.	Infrastructure Services	Asset Management	Manager Assets & Property	On Track	Contracts have been awarded for the design of Rutherglen Maternal Child Health facility as well as the Chiltern Senior Citizens space and are progressing well.
2.4.5	Maximise the opportunities for enhanced community and visitor experiences at key historic buildings and precincts	Deliver the Courthouse visitor experience and ticketing model. Evolve tour and group programs.	Community and Economic Development	Burke Museum & Historic Precinct	Manager Burke Museum & Cultural Heritage	On Track	Courthouse launch scheduled late April 2024. Exhibition installation and staff training underway.
2.5.1	Progress the key priorities of the Ride It Walk It Indigo Plan	Finalise the Horse Trails project.	Community and Economic Development	Recreation	Active Indigo Officer	Completed	
2.5.2	Upgrade and expand the Shire's footpath and cycle path network	Create the following new paths; * Rutherglen Loops * Beechworth Primary School/Peach Drive Pathway * Stanley Street Barnawartha * Traton Street Wahgunyah	Infrastructure Services	Capital Projects	Manager Capital Works and Waste	On Track	* Traton Street, Wahgunyah - footpath construction completed. * Rutherglen Loops - first shared path town section completed. * Peach Drive, Beechworth - construction completed. * Stanley Street, Barnawartha - Construction completed as part of the Tennis/Netball Court redevelopment.
2.5.3	Support walk trail Tourism product development	Deliver Rutherglen Wine Walk Cycle Trail signage and online mapping via Visitor Information App.	Community and Economic Development	Tourism	Manager Tourism	On Track	Installation commencing Q4.
2.5.4	Advocate for Rail Trail extension, specifically Osbornes Flat to Huon and enhancements along the entire length of the trail	Advocate for Rail Trail extension, specifically Osbornes Flat to Huon and enhancements along the entire length of the trail.	Office of the CEO	Office of the CEO	Chief Executive Officer	On Track	Enhancement funding secured. Huon extension remains a long term advocacy item.
2.6.1	Expand the Shire's sealed road network in urban and rural areas	Expand the following sealed roads; * McLean Street Chiltern * Gordon Street Chiltern * Twist Creek Road Yackandandah * Kars Street Yackandandah * Barkly Street Beechworth * Taylor Street Beechworth	Infrastructure Services	Capital Projects	Manager Capital Works and Waste	Behind Schedule	Project scoping and planning completed. Works expected to get underway April 2024. Some jobs will be completed by June, with remainder carried forward into the next financial year.
Theme 3: Prosperity							
3.1.2	Business benchmark data is used to inform advocacy and decision-making in economic development	Economic Development Strategy 2028 is planned and developed.	Community and Economic Development	Economic Development	Economic Development & Investment Coordinator	On Track	CRM system continues to be fully utilised with ANZSIC data imported and regularly updated. Open rates for business newsletter continue to increase and feedback very positive re content. REMPLAN & SpendMapp continue to be monitored and utilised.
3.1.3	Improve accessibility to planning and building permit applications for all applicants, including principles from the Better Approvals project	Finalise the installation of the Greenlight System - for the Building team in November 2023 and the Planning Team in February 2024.	Planning and Corporate Services	Planning Services	Manager Planning & Statutory Services	On Track	Anticipated go-live for both Planning and Building systems in May.
3.1.4	Identify priority telecommunications black spot remediation via Indi Telecommunications Advisory Group	Complete the Connectivity Report 2023/24, informing the development of ISC's Digital Strategy.	Community and Economic Development	Economic Development	Economic Development & Investment Coordinator	On Track	Digital plan for Shire being developed aligning with Ovens Murray Digital Strategy and Economic Development Strategy priorities.
3.1.5	Work with local retailers to implement the Good Access = Good Business accreditation program to ensure that businesses are inclusive and accessible to staff and customers	Improve and further develop a Business toolkit for 2024.	Community and Economic Development	Economic Development	Economic Development & Investment Coordinator	On Track	Development of better information for our business web page will align with launch of Greenlight in late May. Business concierge service planning is underway.
3.2.1	Progress key priorities from the Indigo Destination Game Changer Tourism Strategy 2023	Progress Chiltern Destination Playspace and Rutherglen Silo Precinct projects' funding applications.	Community and Economic Development	Tourism	Manager Tourism	On Track	Rutherglen Silo Arts Precinct funding application results due Q4. Chiltern Destination Precinct (partnership with National Trust Vic) application lodged Q3.
3.2.3	Progress key priorities the Beechworth Historic Precinct Masterplan recommendations	Secure funding for Research & Education Centre concept planning.	Community and Economic Development	Tourism	Manager Tourism	On Track	Funding application lodged Q3. Outcome due Q4.
3.2.4	Develop and implement the Caravan Park Masterplan	Establish the lease framework and documentation for each park in conjunction with Infrastructure Dept.	Community and Economic Development	Tourism	Manager Tourism	On Track	Lease completion due Q4.
3.2.5	Partner with Tourism North East to implement an integrated Visitor and Industry Services futures model	Develop Visitor Information content for App and supporting online channels.	Community and Economic Development	Tourism	Manager Tourism	On Track	Workshops scheduled in Q4. App-based audio tours under development.



COUNCIL ACTION PLAN 23 - 24

Council Plan Ref:	Council Plan Action	2023/24 Action	Directorate	Service Area	Responsible Officer	Status	Q3 Update
Theme 4: Environment							
4.1.1	Implement the actions contained in Council's Climate Emergency Strategic Action Plan 2020	Continue to identify actions and implement the plan.	Infrastructure Services	Environment & Sustainability	Coordinator Environment & Sustainability	On Track	Planning continues to proceed for the installation of public EV chargers by Evie Networks in both Chiltern and Rutherglen townships.
4.1.2	Develop and adopt an Environmentally Sustainable Design Policy into the planning scheme to require new buildings, infrastructure works and subdivisions to incorporate environmentally sustainable principles	Consider whether suitable and viable for a standalone scheme amendment.	Planning and Corporate Services	Planning Services	Manager Planning & Statutory Services	On Track	Road map under development as well as setting up a working party to include Sustainability and Environment Team.
4.1.3	Develop a Tree Canopy Strategy	Complete the Tree Canopy Strategy.	Infrastructure Services	Municipal Operations	Manager Municipal Operations	On Track	Consultant briefed Council in February and the strategy development continues to progress well. Consultation with community regarding the urban tree canopy strategy was carried out via the engaged indigo platform and the project remains on track for completion this year.
4.1.4	Work with community organisations and programs (including Totally Renewable Yackandandah (TRY), Totally Renewable Beechworth (TRB), Totally Renewable Indigo North (TRIN), Landcare, Zero Indigo) to support key climate action projects	Support community-led climate actions via: 1. Delivering the Community Sustainability Grants Program (23/24). 2. Delivering support to Landcare projects via Council's annual National Tree Day program. 3. Assisting the implementation of community-led initiatives that will result in climate mitigation and/or climate adaptation.	Infrastructure Services	Environment & Sustainability	Coordinator Environment & Sustainability	On Track	1. Council's Community Sustainability Grants Program 2023/24 is underway, with five awarded projects being implemented by Totally Renewable Beechworth, Indigo U3A Inc, Quercus Beechworth Neighbourhood House, Beechworth Community Child Care Centre Inc, and Osbornes Flat Community Centre Inc. 2. Supporting Indigo Power's ARENA funding bid to investigate the feasibility and implement a community-scale battery at Baarmutha Park, Beechworth.
4.2.2	Transition suitable vehicles within Council's fleet to Electric Vehicles (EVs)	Ongoing evaluation and assessment of potential inclusion of EV's into Council's Fleet as part of Fleet Replacement Program.	Infrastructure Services	Asset Management	Manager Assets & Property	On Track	Battery operated ride on mowers were trialled but deemed unsuitable due to lack of power. Operations vehicle's will not be able to be trialled this financial year due to availability. Further opportunities will be explored in Q3. Information will be available regarding suitability in Q3.
4.2.4	Progress the key priorities and actions from the Emissions Reduction Plan	1. Continue to track and report on Council's emissions via Trellis (Council's carbon accounting platform). 2. Continue to capture, track and communicate Council's climate actions via Kausal (Council's climate action platform). 3. Using Trellis and Kausal, identify and pursue priority actions that will significantly reduce Council's emissions towards net zero.	Infrastructure Services	Environment & Sustainability	Coordinator Environment & Sustainability	On Track	1. Council continues to track emissions using the carbon accounting platform Trellis, and improve the accuracy of the data. 2. Council continues to capture, update and communicate (with support from Comms & Engagement) progress on our climate actions using the Our Climate Action platform (Kausal). 3. The Sustainable Procurement Working Group continues to enhance the sustainability requirements in tender documentation, and develop tools to help staff assess the sustainability credentials of submissions. 4. Council is developing a funding application to the Australian Government's Community Energy Efficiency Fund, due 30 April 2024.
4.3.2	Plant trees in urban areas for shade and biodiversity value.	Continue to plant appropriate trees across the Shire as part of annual Tree Planting Program.	Infrastructure Services	Municipal Operations	Manager Municipal Operations	On Track	Planning for the planting season has now been completed and plants have been purchased and received in preparedness for the 2024 planting program.
4.3.3	Promote the benefits of planting and protecting native vegetation on private land.	1. Implement the 2023/24 Roadside Weed and Pest Animal Control Program. 2. Support Landcare groups for the 2023/24 National Tree day events.	Infrastructure Services	Environment & Sustainability	Coordinator Environment & Sustainability	On Track	1. Council's roadside weed pest and animal control program (2023/24) is in progress and achieving good results. 2. Council's three-year Roadside Weed and Pests Control Plan (2023-26) has been developed after undertaking community consultation (via Engaged Indigo), endorsed by Agriculture Victoria, and submitted to the Victorian Government as a requirement of state funding.
4.4.1	Monitor water and energy use in Council owned and operated facilities and major recreation reserves to identify and implement efficiency measures	Continue to track and report on Council's water and energy use via the Trellis platform, and use the data to identify major discrepancies and potential efficiency measures.	Infrastructure Services	Environment & Sustainability	Coordinator Environment & Sustainability	On Track	Information has been captured regarding current usage to help establish a base line for future projects. Officers will continue to work with the facilities team to ensure all opportunities for efficiency improvements are investigated.
4.4.3	Progress the key priorities in the Environment Strategy 2019 Implementation Action Plan	1. Continue to progress Integrated water management (IWM) and Environmentally sustainable development (ESD) at Council, including via participating in related forums. 2. Continue water quality monitoring of Lake Sambell via DEECA's statewide program.	Infrastructure Services	Environment & Sustainability	Coordinator Environment & Sustainability	On Track	1. The final report of the Water Sensitive Cities Index project (which Indigo was a case study) was released in January 2024. This information will help inform future Integrated Water Management (IWM) opportunities at Council. 2. Lake Sambell (Beechworth) continues to be monitored monthly under the Victorian Government water monitoring program.
4.4.4	Include dark skies into planning policy and consider the role of dark skies in the new Tourism Strategy	To be considered as part of 4.1.2.	Planning and Corporate Services	Planning Services	Strategic Planner	On Track	To be considered as part of 4.1.2.
4.5.1	Progress the key priorities and actions from the Resource Recovery & Waste Management Strategy 2019-2024	Prepare for expanded kerbside FOGO collection and consistent refuse and resource recovery services across the shire, to possibly commence in July 2024.	Infrastructure Services	Waste Management	Manager Capital Works and Waste	On Track	New Kerbside Collection contract commences in July 2024, contract has been awarded to Cleanaway. Review of FOGO collection options being prepared, including an assessment of costs.



COUNCIL ACTION PLAN 23 - 24

Council Plan Ref:	Council Plan Action	2023/24 Action	Directorate	Service Area	Responsible Officer	Status	Q3 Update
4.5.2	Prepare for changes in recycling arrangements associated with State Government directions and for the transition to new kerbside collection contracts	Commence delivery of community education campaign to increase awareness on changes to recycling & new Container Deposit Scheme (CDS). Implement and promote 'early adopter' glass separation approach at our two Resource Recovery Centres (RRC).	Infrastructure Services	Waste Management	Manager Capital Works and Waste	On Track	Community education materials are being finalised; Glass separation trails to be implemented at the two Transfer Stations.
4.5.3	Evaluate and progress closed landfill rehabilitation priorities	Finalise the documentation for the Beechworth Landfill Remediation Plan, in conjunction with the EPA, and closing out the EPA issued Notice to Investigate.	Infrastructure Services	Waste Management	Manager Capital Works and Waste	On Track	Information on the measured depth of the capping layer provided to the EPA for their assessment. Ground water data continues to be collected from the two transfer station sites, to be used in developing rehabilitation plans.
Theme 5: Accountability							
5.1.2	Maintain a long term financial planning framework and 10-Year Capital Program annually	Update of 10-year financial plan. Update of 10-year capital plan.	Planning and Corporate Services	Corporate Services	Manager Finance	On Track	Draft budget being prepared. Long-Term Financial Plan objectives will be met in this draft budget.
5.1.3	Deliver a rolling program of Service Reviews with 20% of services to be reviewed each year	Deliver a rolling program of Service Reviews with 20% of services to be reviewed each year.	Office of the CEO	Office of the CEO	Chief Executive Officer	On Track	In progress.
5.1.4	Maintain sound financial practices by completing the Annual Financial Statements and receive audit clearance by the legislated timeframe each year	Achievement of annual reporting milestones.	Planning and Corporate Services	Corporate Services	Manager Finance	On Track	VAGO annual interim audit visit to Council is scheduled for 22 & 23 April, 2024.
5.2.1	Develop a new Advocacy Plan and report to the community quarterly on progress	Develop a new Advocacy Plan and report to the community quarterly on progress.	Office of the CEO	Customer Experience & Engagement	Executive Manager Customer Experience & Engagement	Completed	
5.2.2	Participate in regional partnerships that support and advocate for small rural councils including Rural Councils Victoria, Hume Region Local Government Network, Murray Regional Development Association, Ovens and Murray Regional Partnerships	Participate in regional partnerships that support and advocate for small rural councils including Rural Councils Victoria, Hume Region Local Government Network, Murray Regional Development Association, Ovens and Murray Regional Partnerships.	Office of the CEO	Office of the CEO	Chief Executive Officer	On Track	Active participation continues.
5.3.4	Develop more innovative opportunities for community members to collaborate and provide input into Council decision-making, using a diverse range of on and off online engagement and communications channels	Develop more innovative opportunities for community members to collaborate and provide input into Council decision-making, using a diverse range of on and off online engagement and communications channels.	Office of the CEO	Customer Experience & Engagement	Executive Manager Customer Experience & Engagement	Completed	
5.4.1	Implement a Customer Experience Excellence Strategy and undertake regular customer experience reviews to ensure key objectives are met	Implement a Customer Experience Excellence Strategy and undertake regular customer experience reviews to ensure key objectives are met.	Office of the CEO	Customer Experience	Customer Experience Coordinator	Completed	
5.4.2	Pursue opportunities for Shared Services and other collaborative arrangements with other Councils in the Hume region	Pursue opportunities for Shared Services and other collaborative arrangements with other Councils in the Hume region.	Office of the CEO	Office of the CEO	Chief Executive Officer	On Track	Implementation of Greenlight planning software continues with Alpine and Towong. Meeting with Berrigan, Moira and Federation Shires to discuss opportunities.
5.4.3	Develop and maintain a Workforce Plan to ensure the workforce is skilled, motivated and has the tools to deliver on Council's priorities now and into the future	Schedule actions based on organisational priorities and continue to implement.	Office of the CEO	People and Governance	Executive Manager People & Governance	On Track	Key initiatives continue to be developed as prioritised in the People and Culture plan.
5.4.4	Engender a workforce culture that is engaged, productive, healthy and accountable - measure this with two-yearly engagement surveys	Continue to drive and promote delivery of team and organisational action plans across the organisation.	Office of the CEO	People and Governance	Executive Manager People & Governance	On Track	All Senior Managers are auditing their original commitments and plans as we are now 6 months out from running the next survey. This will support a final Leaders' session to help maintain momentum and close off outstanding items.
5.4.5	Develop a Workforce Wellbeing Strategy to provide a strategic approach to maximising engagement, productivity and employer reputation while minimising absences, compensation claims and disengagement	Start to consult and deliver on the Workforce Wellbeing Strategy based on the implementation plan and key initiatives.	Office of the CEO	People and Governance	Executive Manager People & Governance	On Track	Plan has been reviewed by EMT with some minor updates recommended. Once current resources gaps are met, this will start being implemented.



COUNCIL ACTION PLAN 23 - 24

Council Plan Ref:	Council Plan Action	2023/24 Action	Directorate	Service Area	Responsible Officer	Status	Q3 Update
5.5.1	Develop and deliver an ongoing internal Integrity Program to ensure both staff and Councillors are aware of and carrying out their responsibilities with the highest levels of governance	Establish, develop and rollout plan to deliver training modules based on internal Integrity Program.	Office of the CEO	People and Governance	Governance Coordinator	On Track	This is an ongoing program over the 23/24 year.
5.5.2	Develop and maintain a Governance Schedule to give Council and Community visibility of future legislative requirement	Continue to monitor and update Governance Schedule annually. Embed key items into organisational calendar.	Office of the CEO	People and Governance	Governance Coordinator	On Track	This is an ongoing program over the 23/24 year.
5.5.3	Continue to develop Councils Risk maturity via continuous improvement of our Risk Management Framework, practices, reporting and culture	Finalise and embed Risk Policy, Strategy and Framework based on roadmap.	Office of the CEO	People and Governance	Coordinator People & Culture	Completed	The Risk Appetite Statement was adopted by Council at the March meeting. The roadmap will continue to be a focus.

Completed	15	16%
On Track	75	82%
Behind Schedule	1	1%
On Hold	0	0%
Total	91	100%

14.3

ADVISORY COMMITTEE MINUTES

1	Minutes - Finance Committee - 20 February 2024.....	239
2	Minutes - IndiGrow - 15 March 2024.....	257



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

Vision:

Indigo Shire - leading sustainable growth, community and cultural diversity, and climate action.

HELD: Tuesday, 20 February 2024 at 5:50pm

LOCATION: Beechworth Council Chamber

IN ATTENDANCE: Councillors

Cr Sophie Price (Mayor)
Cr Bernard Gaffney (Deputy Mayor)
Cr Peter Croucher
Cr Sue Gold
Cr Roberta Horne
Cr Diane Shepheard
Cr Emmerick Teissl

Senior Management/Officers

Trever Ierino – Chief Executive Officer
Greg Pinkerton – Director Planning & Corporate Services
Carolyn Lingham – EA Planning & Corporate Services

APOLOGIES: Deep Fernando – Manager Finance



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

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FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

1. WELCOME

The Chair welcomed all those in attendance

2. APOLOGIES AND LEAVE OF ABSENCE

Deep Fernando

3. DECLARATION OF CONFLICT OF INTEREST

Nil

4. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING(S)

RECOMMENDATION

That the Minutes of the Finance Committee Meeting held on 21 November 2023, as published on Council's website, be confirmed.

Moved: Cr Gaffney

Seconded: Cr Teissl

CARRIED



FINANCE COMMITTEE MEETINGMINUTES - 20 FEBRUARY 2024

5. REVIEW OF COMMITTEE ACTIONS LIST

Nil reports



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

6. ITEMS OF BUSINESS

6.1 FINANCE REPORT - JANUARY 2024

File No: 2024/102

Deep Fernando - Manager Finance

Planning & Corporate Services

For Information

RECOMMENDATION

That Council accepts the 31 January 2023 Finance Report.

RECOMMENDATION

That Council accepts the 31 January 2023 Finance Report.

Discussion:

- **Pg 8, Item 6 - YTD unfavourable variance (\$338k) - Buller Gas sales:**
Await Q2 reforecast (coming to March Council Meeting) to gain better context.
- **Page 7, Item 3 – Operating Costs - Library Service grant – (\$61k) transferred to Capital Works budget:**
The expense for library book stock is recorded in the Capital Works program
- **Page 9, Item 9 – Materials & Consumables – Customer Experience - Minor Purchase costs (\$28k) - offset by COVID RATS program income:**
Used for items to maintain Customer Service delivery, etc. as part of Council's Covid response.
- **Service Plan Area Statement – Infrastructure Services**
Emergency Management Works - 2118%
Funding for emergency recovery
Carlyle Cemetery – 11927%:
This services operates as a trust and the budget is taken back to zero annually. The variance is a temporary one resulting from an IT system upgrade. This will be balanced to \$0 at the EOFY.
- **Page 13, Cash @ Bank \$365410** – this figure varies day-to-day and depends on when the month is closed. There is usually a dip at this time of year and when the rates instalments are paid the Cash at Bank bounces back up.
Dependent upon how the balance looks at the end of the financial year there are borrowings that may still be taken up for approved projects.

PURPOSE OF REPORT

The purpose of this report is to provide a consolidated view of Council's performance in the first seven months of the financial year.

As Council does not have a January meeting to review the December financial statements, this finance report covers the year to date position for the first seven months of the 2023/24 financial year to the end of January 2024.



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

BACKGROUND

Council reports financial and capital works performance each month. Every quarter this report is expanded to add more financial detail. The year to date figures contained within this report shows Council's January position against the adopted first quarter forecast, and provides an indication of Council's financial performance at this stage of the 2023/24 financial year.

DISCUSSION

This is a major report for the 2023/24 financial year which provides Council with a Balance Sheet and its financial position as at 31 January 2024 including comparison to Q1 forecast with regards to:

- Income Statement
- Balance Sheet
- Treasury (cash management)
- Capital Works
- Borrowings

The reported year to date position as at the end of January 2024 is a \$4.111m surplus. This is \$948k favourability to the year to date budget with the explanations of this favourability shown from Notes 1 to 41, and detail a number of timing variances related mostly to grant funding. These variances will resolve over time as the grant projects are completed, and therefore reduce the favourability.

Income Statement - 31 January 2024							
Account Group	Note	Year to Date (YTD)				2023/24 Annual Budget	January YTD 2022/23 Actual
		YTD Actuals	YTD Budget	YTD Variance \$	YTD Variance %		
Income							
Contributions - Developer	1	67,000	14,415	52,585	365%	31,213	0
Contributions - Operating	2	111,040	19,028	92,012	484%	37,083	50,133
Operating Grants	3	2,941,197	1,108,910	1,832,287	165%	7,067,189	3,297,619
Interest Income		359,564	352,285	7,279	2%	590,200	233,097
Other Revenue	4	1,310,013	1,220,021	89,992	7%	2,463,677	1,198,007
Rates & charges		19,699,853	19,679,636	20,217	0%	19,710,441	18,796,109
Reimbursements	5	99,573	37,075	62,498	169%	71,916	249,711
Statutory Fees & Fines		642,090	676,491	(34,401)	(5%)	1,312,326	611,494
User Charges	6	2,116,261	2,481,767	(365,506)	(15%)	4,545,841	2,845,833
Total Income		27,346,592	25,589,628	1,756,964	7%	35,829,886	27,282,003
Expense							
Borrowing Costs		20,780	19,943	(837)	(4%)	31,079	30,424
Contract Payments	7	4,940,474	3,864,628	(1,075,846)	(28%)	7,399,223	4,007,357
Depreciation		4,062,098	4,049,897	(12,201)	(0%)	7,579,686	4,446,313
Employee Costs	8	7,944,692	8,298,249	353,557	4%	14,602,772	7,077,571
Materials & Consumables	9	3,429,653	3,672,713	243,060	7%	5,491,840	3,804,412
Other Expenses	10	2,532,044	2,182,233	(349,811)	(16%)	3,271,032	2,347,907
Utilities		305,463	338,998	33,535	10%	623,060	295,589
Total Expense		23,235,205	22,426,661	(808,544)	(4%)	38,998,692	22,009,573
Surplus / (Deficit)*		4,111,387	3,162,967	948,420	30%	(3,168,806)	5,272,430
* For both actual and budget a positive net result means a favourable contribution to Council, which is referred to as a Surplus and a negative net result means a unfavourable contribution to Council, which is referred to as a Deficit.							
(Red variance) is unfavourable							
Black variance is favourable							



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

NOTE NO.	Explanation - Income
1	<p>Developer Contributions</p> <p>YTD favourable variance of \$53k is a combination of</p> <ul style="list-style-type: none"> • \$67k – Openspace Contributions unbudgeted which will be transferred across to use at a later date on specific works • (\$14k) – Other Developer contributions not yet received
2	<p>Operating Contributions</p> <p>YTD favourable variance of \$92k is due to</p> <ul style="list-style-type: none"> • \$71k – unbudgeted contribution for the North East Collaboration Officer within the Emergency Management Co-ordination area • \$20k – In Young People for the I-engage project
3	<p>Operating Grants</p> <p>YTD favourable variance of \$1,832m is a combination of the following</p> <ul style="list-style-type: none"> • \$670k – unbudgeted carried forward grant for the “Greenlight Project” within Information Technology • \$290k – unbudgeted carried forward grant in Economic Development for the CFA Bogong solar project • \$255k – unbudgeted carried forward grants for the ERV Community Hub Project within the Emergency Management Co-Ordination area • \$160k – unbudgeted carried forward grant in Planning for the “Heritage Assessment Study Stage 1” • \$107k – unbudgeted carried forward grant for the Vic Health VLGP Project with a further \$40k received for Project Support • \$87k – unbudgeted carried forward grant of \$60k for the COVID Rats Program with a further \$30k received this year • \$78k – unbudgeted carried forward grant in Early Years for “Kindergarten Central Enrolment • \$61k – Library Services grant funding with this portion to be transferred to the Capital works area for the purchases of Library Books stock • \$40k – unbudgeted grant for Environmental Health Services - Mosquito Monitoring • \$27k – unbudgeted carried forward grant in Recreation for Butson Park Master Planning works • \$22k – unbudgeted carried forward grant for the L2P Program within Young People • \$12k – unbudgeted grant received for the Community Road Safety Program • \$11k – unbudgeted grant for Supporting Carers Locally & 16 Days Activism – Respect Victoria with in the Ageing Well area • \$10k – unbudgeted carried forward grant for the MCH Workforce funding <p>These grants will have expenditure against them in the second half of the financial year</p>



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

4	<p>Other Revenue</p> <p>YTD favourable variance of \$90k is a combination of the following</p> <ul style="list-style-type: none"> • \$68k – Increased sales of recyclables for Waste Management for both the Beechworth Transfer Station (\$323k) and the Rutherglen Transfer Station (\$36k). These were higher than originally anticipated. • \$13k – favourability for Internal Plant Hire and Fleet recovery costs • \$9k – of other minor fees across the organisation
5	<p>Reimbursements</p> <p>YTD favourable variance of \$62k is a combination of the following</p> <ul style="list-style-type: none"> • \$55k – of Workcover reimbursement which is not budgeted. This assists with the offset of work cover expenditure across the organisation • \$7k – received for an Insurance Claim in the Building and Property service area.
6	<p>User Charges</p> <p>YTD unfavourable variance of \$365k is mainly due to</p> <ul style="list-style-type: none"> • \$338k - Lower than budgeted Buller Gas sales with this explained in our October report as one of the worse snow seasons to date. The impact of the lower income is offset with the lower expenditure on Gas (\$426k) • \$33k – Group Bookings and Entry fees across the Historic Precinct • \$6k of small favourability's across other areas.
NOTE NO.	Explanation - Income
7	<p>Contract Payments</p> <p>YTD unfavourable variance of \$1,076m is due to a combination across the organisation of;</p> <ul style="list-style-type: none"> • \$571k expenditure relating to three (3) Natural Disaster Flood events, with the expenditure to be recovered when works completed • \$177k in Building control services for the provision of a contract staff • \$163k across various service areas relating to use of temporary employment to deliver the required services due to vacancies. This unfavourable variation is offset by the favourable variance in employee costs • \$175k expenditure relating to the CFA Bogong solar projects which is one of the carried forward grant from 2022-23
8	<p>Employee Costs</p> <p>YTD favourable variance of \$354k is due predominately to staff vacancies which is partially offset with the above costs for temporary employment (\$163k) to assist with service delivery during the recruitment process</p>



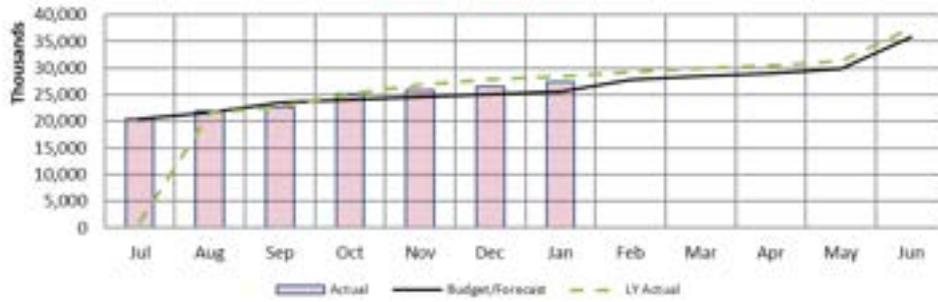
FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

<p style="text-align: center;">9</p>	<p>Materials and consumables</p> <p>YTD favourable variance of \$243k is mainly due to</p> <ul style="list-style-type: none"> • \$426k – Buller Gas with less purchases due to slow snow season and should be read with the explanation as shown above with the Buller Gas Income <p>With other unfavourable offsets across the organisation</p> <ul style="list-style-type: none"> • (\$115k) – Risk Management with higher than budgeted annual insurance costs • (\$28k) – Customer Experience - Minor purchase costs which are offset by the COVID RATs program income • \$39k – of material costs across Drainage, Parks and Gardens and Roads and Maintenance service areas
<p style="text-align: center;">10</p>	<p>Other Expenses</p> <p>YTD unfavourable variance of \$349k is due to</p> <ul style="list-style-type: none"> • (\$127k) – in Information Technology Services for Licencing and legal costs • (\$128k) – in Plant for external plant hire costs • (\$103k) – in Planning with a combination of Legal Expenses and advertising and with an unbudgeted cost for transferring internal costs to the Reserve account • \$9k – other minor offsets



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

Income (YTD)



Expense (YTD)



Net Position (YTD)





FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

Balance Sheet - 31 January 2024	Prior year to date	
Current Assets		
Cash	867,180	7,742,758
Current Debtors/Receivables	12,998,832	4,714,463
Inventories	428,858	324,753
Investments	6,202,322	6,702,322
Other Current Assets	4,167	803,372
Total Current Assets	20,501,359	20,287,668
Non Current Assets		
Non Current Debtors/Receivables	13,400	0
Property Plant & Equipment	13,736,583	14,748,800
Land & Buildings	99,915,633	100,514,704
Roads, Bridges & Culverts	188,116,324	190,529,136
Works in Progress	7,126,514	7,126,514
Total Non Current Assets	308,908,454	312,919,155
Total Assets	329,409,813	333,206,823
Current Liabilities		
Borrowings - Current	(173,740)	(394,352)
Creditors	(2,877,213)	(7,818,490)
Provisions - Current	(2,639,247)	(2,963,232)
Trust Deposits	(274,475)	(203,856)
Total Current Liabilities	(5,964,674)	(11,379,930)
Non Current Liabilities		
Borrowings - Non Current	(1,004,570)	(985,074)
Provisions - Non Current	(4,990,823)	(4,854,975)
Trust Deposits	(308,616)	(321,269)
Total Non Current Liabilities	(6,304,010)	(6,161,319)
Total Liabilities	(12,268,683)	(17,541,248)
Net Assets	317,141,130	315,665,575
Equity		
Accumulated Surplus	(160,820,094)	(159,411,539)
Reserves	(156,321,036)	(156,254,036)
Total Equity	(317,141,130)	(315,665,575)



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

Treasury

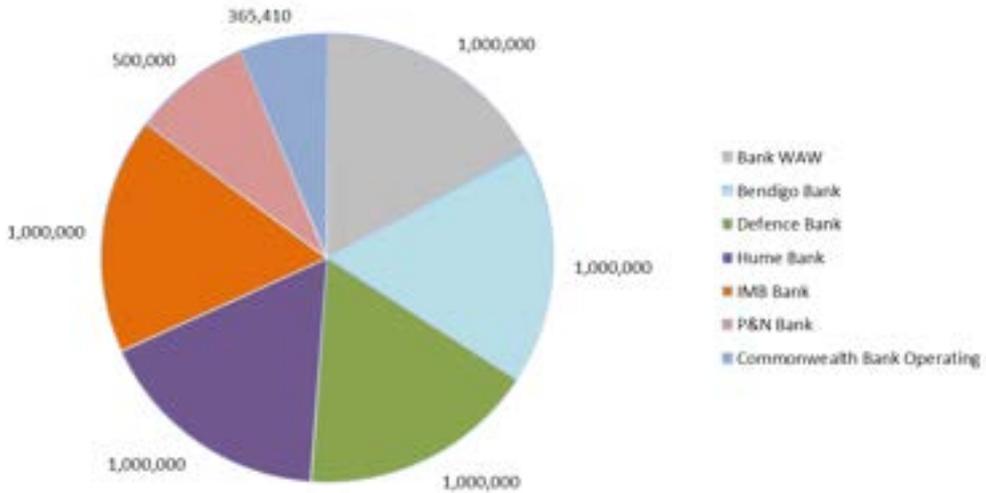
Cash Position

Council’s Cash and investment holdings total \$6.86m as of 31 January 2024, a decrease of \$6,87m from the same time last year 31 January 2023 balance of \$13.741m. The breakdown of Council’s cash and investments is:

Cash at Bank	365,410
Term deposit under 90 days	6,500,000
Term deposit over 90 days	-
Total	6,865,410

The average current interest rate on the term-deposits held is 4.96% (this excludes the operating account)

Cash & Investments as at 31 January 2024





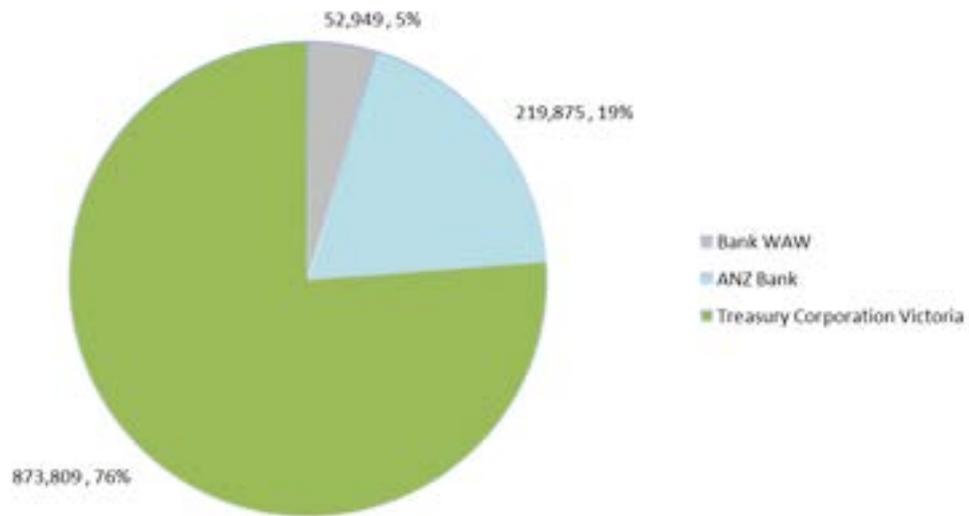
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Borrowings

Below is a summary of all Council’s borrowings. The table shows original loans borrowed, term of loans, rates & maturity with outstanding balances at the end of October 2023 of \$1,242,176.

Indigo Shire Council - Borrowing Report as at 30 January 2024						
Bank	Term - Years	Rate %	Date of Maturity	Original loan amount		Balance owed
WAW	10	5.25	28/06/2024	1,000,000		52,949
ANZ	10	3.78	29/04/2025	1,500,000		219,875
TCV	10	2.08	27/06/2032	1,000,000		873,809
Total of All Borrowings				3,500,000		1,146,633

Borrowings as at 31 January 2024





FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

Capital Works

The combined YTD project expenditure as at the end of January 2024, across both the Capital Works and Non ISC asset project areas totals \$5,753,153m. This total is comprised of \$5,045,237 in capital projects and \$707,196 against Non ISC assets. This represents 28.5% of the capital works budgeted program.

Summary Capital Works Income & Expenditure As at 31 January 2024

	Income	Expenditure	Adopted Capital Budget 2023-24 Excl Carry forwards
Property			
Land improvements	-	-	-
Land improvements	-	-	-
Total land	-	-	-
Buildings	354,350	381,996	230,000
Heritage buildings	79	468,488	545,000
Total buildings	433,460	850,484	775,000
Total property	433,460	850,484	775,000
Plant and equipment			
Plant, machinery and equipment	43,746	449,858	682,000
Fixtures, fittings and furniture	-	53,128	87,000
Computers and telecommunications	-	65,934	665,000
Library books	150	27,873	89,000
Total plant and equipment	43,896	596,793	1,523,000
Infrastructure			
Roads	698,067	1,319,480	1,862,000
Bridges	-	94,059	1,670,000
Footpaths and cycleways	-	1,400,793	4,660,000
Drainage	-	164,798	306,000
Recreational, leisure and community facilities	847,069	522,790	320,000
Parks, open space and streetscapes	64,483	96,040	318,000
Total infrastructure	1,609,619	3,597,960	9,136,000
Total Capital Works	2,086,975	5,045,237	11,434,000

Summary NON ISC Income & Expenditure As at 31 January 2024

	Income	Expenditure	Adopted Annual Budget 2023-24 Excl Carry forwards
Kergunyah Hall	285,173	145,718	-
Kiewa Memorial Park	-	7,537	-
Chiltern Recreation Reserve	2,500	75	-
Butson Park Football oval	-	201	-
Barnawartha Netball/Tennis Courts	424,508	502,000	-
Yackandandah Golf Club Facility	223,286	6,961	-
Carlyle Drainage Works	-	-	-
Barnawartha Cricket Nets	15,000	43,688	-
Barkly Park Upgrade Female Change Room	-	1,736	-
Total Projects	950,467	707,916	-
Total NON ISC Owned Assets	950,467	707,916	-

The above statement of Capital Works & NON ISC Owned Assets should be read in conjunction with the Capital Works Monitor



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

A more detailed commentary on capital works and non-Council expenditure is provided in the capital report later in the Council meeting agenda.

STRATEGIC CONTEXT

COUNCIL PLAN 2021 – 2025	
Theme	5. Accountability
Strategic Objective	5.1 Our financial management is sound, responsible and effective.

SOCIAL/COMMUNITY IMPLICATIONS

This report provides details of Council's performance across a range of services, works and programs that support and enhance the wellbeing of residents and visitors to Indigo Shire.

ENVIRONMENTAL IMPLICATIONS

In May 2017 Council adopted the following resolution.

That Council:

1. *divests its investments (when they become due) to financial institutions that do not invest in the fossil fuel industry;*
2. *divests future long-term borrowings when they fall due, to financial institutions that do not invest in the fossil fuel industry;*
3. *notes that Council will retain the current (non-divested) transactional banking provider at this time, however Council will advise this bank the intention to move to a divested provider in the future if they continue to support the fossil fuel industry; and*
4. *writes to Council's current banking providers to advise them of Council's stance on fossil-free financial institutions*

In accordance with this resolution:

- All investments are held with financial institutions that have divested their interests away from fossil fuel companies.
- Transactional banking has not been reassessed since the resolution and remains with a non-divested bank.

FINANCIAL IMPLICATIONS

Addressed throughout the report.

LEGISLATIVE IMPLICATIONS

The Local Government Act requires Council to report financial information quarterly. Indigo Shire Council report financials on a monthly basis, as well as a more comprehensive Report at completion of each quarter.

All financial reporting is compliant with the Australian Accounting Standards and audited annually by the Victorian Auditor General Office.



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

RISK & OPPORTUNITY MANAGEMENT

Description	Likelihood	Consequence	Final Risk Rating	Controls, treatments
Poor performance against budget	Possible	Moderate	Medium	Regular monitoring and reporting of financial position

COMMUNITY ENGAGEMENT

CONSULTATION/COMMUNICATION UNDERTAKEN

Nil

CONSULTATION/COMMUNICATION PROPOSED

Nil

CONCLUSION

The result for the January YTD or first seven months for the 2023/24 financial year is showing a favourable position compared to the budget forecast. This is being driven by a large number of grants that will require future expenditure. It is therefore suggested that this favourability be noted at this stage, and further assessed as the year unfolds.

DECLARATION OF CONFLICT OF INTEREST

Under section 130(2) of the *Local Government Act 2020* and Governance Rule 24, the following officers declare that they have no interests to disclose in providing this report:

- Greg Pinkerton – Director Planning & Corporate Services
- Deep Fernando – Finance Manager

Attachments

1. January Service Plan Statement
2. January Exception Report



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

6.2 FINANCE UPDATE

File No: 2024/103

Greg Pinkerton - Director Planning & Corporate Services Planning & Corporate Services

For Information

Verbal update by Greg Pinkerton

INTRODUCTION

Verbal update to the committee on some current finance actions of interest;

- Budget preparation
- Q2 review
- Valuations
- Borrowings

Discussion:

- Budget 2024/2025 preparation underway
- Q2 review will now go to the March Council meeting
- **Valuations:** Bringing valuations forward in time and they are now due at end of March, being 6 months earlier than previous years.
- Annual valuations for rates
- Revenue and Rating Strategy coming to a Briefing in the very near future
- Announcement that our new Management Accountant, Julie, started with us on Wednesday 14 March.

Action (Greg Pinkerton):

Circulate to Councillors all emails that have been received from a rate payer regarding a new rates model.

Attachments

Nil



FINANCE COMMITTEE MEETING MINUTES - 20 FEBRUARY 2024

7. GENERAL BUSINESS

Meeting closed: 6:14pm

Next meeting: 19 March 2024



Mission Statement:

A diverse population and economy that is optimised to prosper for generations through economic, social and environmental wellbeing

HELD: Minutes - Friday 15 March 2024 12.30 – 2.30 pm – Ordinary IndiGrow Quarterly Meeting

LOCATION: Beechworth Council Chambers, 2 Kurrajong Way, Beechworth
For those unable to attend in person, a Zoom Meeting link was provided

CHAIR: Cr Diane Shephard

REQUIRED TO ATTEND:	Cr. Diane Shephard	Alastair Clay (late arrival)
	Cr. Roberta Horne	Mervyn Rea
	Cr. Sue Gold	Lisa Turner
	Rob Hawkings	Narelle James
	Darren Carr	Neil Funston
	Nerida Kerr	Steven Vandenberg
	Bev Hoffmann	Sally Rice
		Justin Forrester
		Sally McDonald

APOLOGIES: Sally McDonald, Lisa Turner
Absent: Cr. Diane Shephard, Cr. Roberta Horne, Darren Carr, Bev Hoffman, Narelle James
Resigned: Natalie Ajay (written advice received 01/03/24)

GUESTS: Sam Niedra – Coordinator Environment & Sustainability
Amy Banks – EO - Beechworth Vignerons

ITEM

1.0 WELCOME FROM CHAIR Cr. Sue Gold (Acting Chair)

ACKNOWLEDGEMENT OF COUNTRY

2.0 DECLARATION OF CONFLICT OF INTEREST Cr. Sue Gold

No conflicts of interest were declared

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3.0 APOLOGIES**Cr. Sue Gold**

As listed above – technical problems prevented access to the online Zoom link provided. Members may have been unable to join the meeting online, but we were not aware of any attempts made to join.

With 13 remaining IndiGrow members, given Natalie Ajay's recent resignation, a majority of 7 was required for a quorum. A quorum was not available with only 6 members present at the commencement of the meeting.

Cr. Sue Gold agreed to chair the meeting. The meeting proceeded as an information session for the members in attendance.

4.0 CONFIRMATION OF MINUTES FROM LAST MEETING**Cr. Sue Gold**

It was noted that minutes of the meeting held on 1 December 2023 had been circulated prior to the meeting.

Endorsement deferred to the next quarterly meeting in June

5.0 BUSINESS FROM THE LAST MEETING**5.1 ELECTION – DEPUTY CHAIR****Justin Forrester**

Deferred to the next quarterly meeting in June. Nomination by Cr. Sue Gold has been made.

5.2 TERMS OF REFERENCE (REVIEW)**Justin Forrester**

The Committee agreed to carry this item forward to the June meeting with allowance for submissions for discussion prior to.

Justin F suggested that: 16.3 – Invite relevant Chambers of Commerce (or Industry Group) to present ideas, issues and current challenges on an annual basis in each of the four major towns. (We rotate meetings in each town. This will capture business community sentiment and allow good feedback mechanism. Gives each town a year to prepare).

Committee agreed with this with some parameters to be discussed.

6.0 STANDING ITEMS**6.1 PLANNING – INDUSTRY FEEDBACK AND CASE STUDIES****Cr. Sue Gold**

Nerida Kerr requested a strategic planning update as critical to the local community.

Cr. Sue Gold recommends updates are brought back to this group and asked what future planning issues members would be interested in.

UNESCO bid update was requested for the next meeting. Some concern was raised as to the positive and negative implications of the outcome of the bid.

6.2 SUSTAINABILITY – OVERVIEW OF COUNCIL’S ENVIRONMENT & SUSTAINABILITY STRATEGY & ACTIONS AND INDIGO ENVIRONMENT ADVISORY COMMITTEE MINUTES

**Sam Niedra – Coordinator
Environment & Sustainability**

Sam shared information and the weblink to Council’s Climate Action platform (Kausal) with members.

LINK: <https://climateaction.indigoshire.vic.gov.au/>

Threshold is \$150,000 for mandatory 10% weighting for environmental sustainability

Council is signed up to the platform as a project tool for council

Scope 1: Vehicle emissions – convert to EV vehicles

Scope 2: Electricity use in council facilities – 9.5 year purchasing agreement with Red Energy 100% renewable

Scope 3: Procurement goods & services

Sam Niedra suggested he would investigate how members of the community could participate - could they attend Indigo Environment Advisory Committee (IEAC) meetings or how they could join the group.

7.0 GENERAL BUSINESS

7.1 NEW ECONOMIC DEVELOPMENT STRATEGY UPDATE

Justin Forrester

Justin provided an update of progress of the strategy including that:

- Consultation and research has been completed
- Couple of weeks away from completing a draft strategy document
- Will be circulated for feedback to the internal Project Working Group and the IndiGrow Committee for feedback

- Relevant feedback to be incorporated into the document
- Draft Strategy to go on public display for feedback
- To Council for endorsement
- Finalise by June/July

Justin Forrester

7.2 OTHER COUNCIL UPDATES

Chiltern Land Development Progress

- In December 2021, Council purchased two parcels of private land in Chiltern. This was as a result of the Chiltern Place Plan identifying the need for Council to support small to medium sized business growth via industrial land development.
- The two parcels are located opposite the Council depot adjacent to the railway line.
- The intention of the land purchase was to secure a potential site for future industrial land development. The two purchased parcels can accommodate a range or mix of land uses beyond just industrial land.
- Community consultation concluded September 2023 resulting in a “Community Vision” being drafted with a range of uses identified. These include the co-location of Ambulance Victoria and CFA stations.
- In October 2023 a grant opportunity became available through the RPPP to apply for funding to progress planning to development stage. \$1.45M has been applied for to deliver a range of activities required for future development. The outcome of the grant is expected in May.
- If the grant is unsuccessful the first part of land assessment will be completed with some budgeted monies in the eco dev budget to keep the project progressing.

Grants Activity

- RPPP – Federal funding program aimed at creating partnerships and developing precincts. Two streams – planning and delivery.
 - Council has applied for Chiltern land
 - Will be applying for Chiltern Playspace further development planning
 - Historic Precinct and Old Beech Gaol master planning – Auspiced by TNE
- As part of Comms Game cancellation, a number of grant opportunities were released. These included:

Grant Fund	Detail	Closing Date
Tiny Towns	Funding for community engagement and activation projects for small towns across Victoria up to \$50k per project. Competitive round.	25 th Feb 24
Council Support Package – Stream 2	Up to \$100k per Council for specific projects. Non-competitive. 1 per Council	25 th Feb 24
Regional Workers Accommodation Fund	Up to \$5M for the development of dedicated worker housing solutions. Competitive.	25 th Feb 24

- Three applications for the Tiny Towns grants focused on playground upgrades
- One application for the Council support package to deliver a new playground in Barnawartha
- Eco dev has provided significant support in helping to develop proposals for a number of applications in addition to the Council led grant applications.
 - RAAF – Lake Moodemere Estate, Old Priory
 - RPPP – Makers Guild of Yackandandah (including TNE workshop support)
- In addition, the Enabling Tourism Fund is about to close. There are a number of businesses applying for this including Star Hotel Rutherglen and Billson’s Last Street Precinct.

Investment Incentive Policy

Justin thanked the committee for their involvement and feedback regarding this policy which has now been adopted by Council.

- New Investment Incentive Policy was endorsed by Council at the February Council meeting. It supersedes an older version and will be published on our website early next week.
- New incentive conditions provide more benefit for investment and alignment with sustainability goals. The revised assessment criteria are more

comprehensive to ensure appropriate rigor and guaranteed alignment with Council plans.

- The policy draws on ideas other regional Australian councils have adopted to incentivise new and developing businesses.
- The Policy's proposed use is to promote investment into new business and/or business expansion in the Shire. Projects that utilise new industrial land projects, such as the Forge Court, Tangambalanga and Chiltern Land Projects are prime examples and businesses should be targeted as prospects for these developments and incentivised where appropriate.
- I would like to thank the IndiGrow Committee Members who provided invaluable input into the development of the final policy which was my first to be delivered.

Letter of support – Rutherglen Wine Experience

Deferred – no quorum

Justin explained that he has been appointed as Manager Community Development and will commence in that role on 25 March 2024.

8.0 MEMBER INSIGHTS

8.1 Mervyn Rae's presentation

Mervyn Rae

Further postponed to the next quarterly meeting – June 2024.

8.2 Beechworth Wine Industry Update

Rob Hawkings/Amy Banks

Rob Hawkings explained that within the Indigo Shire there are two wine regions – Beechworth and Rutherglen. It is an important industry sector for Indigo. Many growers/ vineyards in Beechworth zone are actually in Upper Everton and part of the Rural City of Wangaratta – approx. 30 producers in all, two small cellar doors. Rob pointed out that Rutherglen has a tasting centre and Beechworth does not.

There is also the North East Wine Zone which is a collaboration of five local regions including the King Valley - responded to the impacts of bushfire after the 2020 experience, have ongoing input to planned burn management in the North East Region.

Rob introduced Amy Banks, the Executive Officer for Beechworth Vignerons.

The season has been very varied across the group with some growers losing 50% of the crop and others okay.

Next meeting

Friday 14 June 2024 12.30 – 2.30 pm (Rutherglen)

Dates 2024:

Friday September 13 2024 - Chiltern

Friday December 6 2024 - Yackandandah

**Meeting 2.40pm
closed:**

ACTION ITEMS:**Items to be carried over to the June 2024 IndiGrow agenda:**

- Appointment of Deputy Chair
- Minutes of December 2023 meeting yet to be endorsed
- Review of Terms of Reference
- Strategies to be updated (noted for IndiGrow feedback to relevant items)
- Sam Niedra to provide advice as to whether members of the community can attend IEAC meetings or become members.

High Productivity Vehicles

Continue to monitor this sector, roads policy and plans, and pursue meetings as previously suggested. Update IndiGrow on any developments or new insights. Hold over.

Economic Development Strategy

Draft to be issued to IndiGrow once completed for feedback. This will be prior to public feedback period.

SUMMARY OF RESOLUTIONS

Resolution	Moved	Seconded
None due to lack of quorum	-	-

(Note: Confidential minutes are recorded in the same manner as above)

14.4

INFORMAL MEETINGS OF COUNCILLORS RECORDS

1	Informal Meeting of Councillors Record - Council Briefing - 27 February 2024.....	265
2	Informal Meeting of Councillors Record - Council Briefing - 12 March 2024	267
3	Informal Meeting of Councillors Record - Council Briefing - 19 March 2024	270
4	Informal Meeting of Councillors Record - Council Briefing - 26 March 2024	273



INFORMAL MEETING OF COUNCILLORS RECORD

At the commencement of an applicable meeting, Council staff are required to identify that this is an Informal Meeting of Councillors as defined in Council's Governance Rules, and call for any Conflicts of Interest (Sections 126 - 131 *Local Government Act 2020*).

For additional information please refer to TRIM reference: INTERNAL20/7700

NOTE:

This Form **MUST** :

- a) be completed by the attending Council Officer
- b) TRIMmed to INFORMATION MANAGEMENT – Registers – Informal Meeting of Councillors (relevant year)
- c) completed record forwarded to the Governance Officer for inclusion in the next Meeting of Council and incorporated in the minutes.

MEETING DETAILS:

Meeting	Council Briefing
Date:	27/2/2024
Time:	4.09pm
Meeting Location:	Council Chambers, 2 Kurrajong Way, Beechworth

IN ATTENDANCE: (circle/delete as appropriate)

Councillors:	Cr Sophie Price	Mayor
	Cr Bernard Gaffney	Deputy Mayor
	Cr Peter Croucher	Councillor
	Cr Sue Gold	Councillor
	Cr Roberta Horne	Councillor
	Cr Diane Shepheard	Councillor
	Cr Emmerick Teissl	Councillor
Officers:	Trevor Ierino	Chief Executive Officer



Ian Ellett	Director Infrastructure Services
Greg Pinkerton	Director Planning & Corporate Services
Sally Rice	Director Community & Economic Development
Mel Collis	Executive Manager Customer Experience and Engagement
Carla Hanlon	Executive Manager People & Governance
Annabel Harding	Governance Coordinator

MATTER/S DISCUSSED/CONSIDERED AT THE MEETING:

(Note: Conflicts of Interest must be disclosed and the person leave the assembly before discussion of the conflict matter (Sections 126 – 131 of the *Local Government Act 2020*))

-
- 4.1 Councillor and CEO Update - Information only, no time allocated
 - 5. briefing notes
 - 5.1 February Council Meeting Agenda Review
 - 6. General Business
 - 6.1 Councillor Committee Reports
 - 6.2 Upcoming Schedules - Briefing and Council Meetings
 - 6.3 Actions From Previous Meetings
-

CONFLICT OF INTEREST DISCLOSURES:

ITEM:

nil

Councillor	Time of departure	Time of re-entry
Officer	Time of departure	Time of re-entry

Record Author: Annabel Harding



INFORMAL MEETING OF COUNCILLORS RECORD

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For additional information please refer to TRIM reference: INTERNAL20/7700

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MEETING DETAILS:

Meeting	Council Briefing
Date:	12/3/2024
Time:	2:30pm
Meeting Location:	Council Chambers, 2 Kurrajong Way, Beechworth

IN ATTENDANCE: (circle/delete as appropriate)

Councillors:	Cr Sophie Price	Mayor
	Cr Bernard Gaffney	Deputy Mayor
	Cr Peter Croucher	Councillor
	Cr Sue Gold	Councillor (by Zoom)
	Cr Roberta Horne	Councillor
	Cr Diane Shepheard	Councillor(by Zoom)
Officers:	Trevor Ierino	Chief Executive Officer
	Ian Ellett	Director Infrastructure Services (by Zoom)



Tim Cover	Acting Director Planning & Corporate Services
Sally Rice	Director Community & Economic Development
Mel Collis	Executive Manager Customer Experience and Engagement
Carla Hanlon	Executive Manager People & Governance
Annabel Harding	Governance Coordinator

MATTER/S DISCUSSED/CONSIDERED AT THE MEETING:

(Note: Conflicts of Interest must be disclosed and the person leave the assembly before discussion of the conflict matter (Sections 126 – 131 of the *Local Government Act 2020*))

-
- 5.1 Indigo Shire Council Public Art Policy
 - 5.2 Enabling Tourism Fund Projects: Indigo Gold Trail 2.0 and Rutherglen Wine Experience Centre
 - 5.3 Regional Community Sports Infrastructure Fund
 - 5.4 Public Toilet Strategy
 - 5.5 Audit & Risk Committee Agenda - 18 March 2023
 - 5.6 Privacy Policy Review 2024
 - 6. General Business
 - 6.1 Councillor Committee Reports
 - 6.2 Upcoming Schedules - Briefing and Council Meetings
 - 6.3 Governance Calendar
 - 6.4 Actions From Previous Meetings
 - 6.5 Councillor and CEO Update
 - Councillor and CEO Time

CONFLICT OF INTEREST DISCLOSURES:

ITEM:

nil

Councillor	Time of departure	Time of re-entry
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Officer	Time of departure	Time of re-entry

Record Author: Annabel Harding



INFORMAL MEETING OF COUNCILLORS RECORD

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For additional information please refer to TRIM reference: INTERNAL20/7700

NOTE:

This Form MUST :

- a) be completed by the attending Council Officer
- b) TRIMmed to INFORMATION MANAGEMENT – Registers – Informal Meeting of Councillors (relevant year)
- c) completed record forwarded to the Governance Officer for inclusion in the next Meeting of Council and incorporated in the minutes.

MEETING DETAILS:

Meeting	Council Briefing
Date:	19/3/2024
Time:	2:30pm
Meeting Location:	Council Chambers, 2 Kurrajong Way, Beechworth

IN ATTENDANCE: (circle/delete as appropriate)

Councillors:	Cr Bernard Gaffney	Deputy Mayor
	Cr Peter Croucher	Councillor
	Cr Sue Gold	Councillor (by Zoom)
	Cr Roberta Horne	Councillor
	Cr Diane Shepheard	Councillor(by Zoom)
	Cr Emmerick Teissl	Councillor
Officers:	Trevor Ierino	Chief Executive Officer
	Ian Ellett	Director Infrastructure Services



Greg Pinkerton	Director Planning & Corporate Services
Sally Rice	Director Community & Economic Development
Mel Collis	Executive Manager Customer Experience and Engagement
Carla Hanlon	Executive Manager People & Governance
Annabel Harding	Governance Coordinator

MATTER/S DISCUSSED/CONSIDERED AT THE MEETING:

(Note: Conflicts of Interest must be disclosed and the person leave the assembly before discussion of the conflict matter (Sections 126 – 131 of the *Local Government Act 2020*))

-
- 5.1 February Capital Works Report
 - 5.2 Draft Revenue and Rating Strategy
 - 5.3 Financial Hardship Policy
 - 5.4 March Council Meeting - Draft Agendas Review
 - 5.5 Monthly Planning Update
 - 6. General Business
 - 6.1 Councillor Committee Reports
 - 6.2 Upcoming Schedules - Briefing and Council Meetings
 - 6.3 Actions From Previous Meetings
-

CONFLICT OF INTEREST DISCLOSURES:

ITEM:

nil

Councillor	Time of departure	Time of re-entry
Officer	Time of departure	Time of re-entry



Record Author: Annabel Harding



COUNCIL BRIEFING NOTES - 26 MARCH 2024

At the commencement of an applicable meeting, Council staff are required to identify that this is an Informal Meeting of Councillors as defined in Council's Governance Rules, and call for any Conflicts of Interest (Sections 126 - 131 *Local Government Act 2020*).

For additional information please refer to TRIM reference: INTERNAL20/7700

NOTE:

This Form **MUST** :

- a) be completed by the attending Council Officer
- b) TRIMmed to INFORMATION MANAGEMENT – Registers – Informal Meeting of Councillors (relevant year)
- c) completed record forwarded to the Governance Officer for inclusion in the next Meeting of Council and incorporated in the minutes.

MEETING DETAILS:

Meeting Council Briefing

Date: 26 March 2024

Time: 4pm

Meeting Location: Council Chambers

IN ATTENDANCE: (circle/delete as appropriate)

Councillors:	Cr Sophie Price	Mayor
	Cr Bernard Gaffney	Deputy Mayor
	Cr Peter Croucher	Councillor
	Cr Sue Gold	Councillor
Officers:	Cr Roberta Horne	Councillor (via Online)
	Cr Diane Shepheard	Councillor
	Cr Emmerick Teissl	Councillor
	Trevor Ierino	Chief Executive Officer
	Nathan Mullane	Manager Capital Works and Waste
	Greg Pinkerton	Director Planning & Corporate Services
	Sally Rice	Director Community & Economic



COUNCIL BRIEFING NOTES - 26 MARCH 2024

	Development
Melinda Collis	Executive Manager Customer Experience & Engagement
Carla Hanlon	Executive Manager People & Governance

MATTER/S DISCUSSED/CONSIDERED AT THE MEETING:

(Note: Conflicts of Interest must be disclosed and the person leave the assembly before discussion of the conflict matter (Sections 126 – 131 of the *Local Government Act 2020*))

- March Council Meeting Agendas Review
- General Business
- Councillor Committee Reports
- Upcoming Schedules - Briefing and Council Meetings

CONFLICT OF INTEREST DISCLOSURES:

ITEM:

Councillor	Time of departure	Time of re-entry
Officer	Time of departure	Time of re-entry

Record Author: Carla Hanlon – Executive Manager People and Governance

