

# AGENDA

FOR THE  
GREATER SHEPPARTON CITY COUNCIL

## SPECIAL COUNCIL MEETING

TO BE HELD ON  
TUESDAY 30 APRIL, 2013  
AT 5.30PM

IN THE COUNCIL BOARD ROOM

**COUNCILLORS:**

Cr Jenny Houlihan (Mayor)  
Cr Les Oroszvary (Deputy Mayor)  
Cr Milvan Muto  
Cr Dennis Patterson  
Cr Michael Polan  
Cr Kevin Ryan  
Cr Fern Summer

***VISION***

***GREATER SHEPPARTON***  
AS THE FOOD BOWL OF AUSTRALIA,  
A SUSTAINABLE, INNOVATIVE  
AND DIVERSE COMMUNITY  
***GREATER FUTURE***

**A G E N D A  
FOR THE  
SPECIAL COUNCIL MEETING  
TO BE HELD ON  
TUESDAY 30 APRIL, 2013 AT 5.30PM**

**CHAIR  
CR JENNY HOULIHAN**

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## RISK LEVEL MATRIX LEGEND

**Note:** A number of reports in this agenda include a section on “risk management implications”. The following table shows the legend to the codes used in the reports.

Likelihood	Consequences				
	Negligible (5)	Minor (4)	Moderate (3)	Major (2)	Catastrophic (1)
<b>Almost Certain (A)</b> Event expected to occur several times per year (i.e. Weekly)	Low	Moderate	High	Extreme	Extreme
<b>Likely (B)</b> Will probably occur at some stage based on evidence of previous incidents (i.e. Monthly)	Low	Moderate	Moderate	High	Extreme
<b>Possible (C)</b> Not generally expected to occur but may under specific circumstances (i.e. Yearly)	Low	Low	Moderate	High	High
<b>Unlikely (D)</b> Conceivable but not likely to occur under normal operations (i.e. 5-10 year period)	Insignificant	Low	Moderate	Moderate	High
<b>Rare (E)</b> Only ever occurs under exceptional circumstances (i.e. +10 years)	Insignificant	Insignificant	Low	Moderate	High

**Extreme** CEO’s attention immediately required. Possibly avoid undertaking the activity OR implement new controls

**High** Director’s attention required. Consider suspending or ending activity OR implement additional controls

**Moderate** Manager’s attention required. Ensure that controls are in place and operating and management responsibility is agreed

**Low** Operational, manage through usual procedures and accountabilities

**Insignificant** Operational, add treatments where appropriate

**PRESENT:**

**1. ACKNOWLEDGEMENT**

“We the Greater Shepparton City Council, begin today’s meeting by acknowledging the traditional owners of the land which now comprises Greater Shepparton. We pay respect to their tribal elders, we celebrate their continuing culture, and we acknowledge the memory of their ancestors.”

**2. APOLOGIES**

### 3. HEARING OF SUBMISSIONS

#### **3.1 Proposed Discontinuance of Part of Elizabeth Street Between Ross and Park Streets, Tatura**

##### **Disclosures of conflicts of interest in relation to advice provided in this report**

Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest..

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

##### **Council Officers involved in producing this report**

**Author: Property Officer**

**Proof reader(s): Acting Manager Regulatory Services**

**Approved by: Director Business**

##### **Purpose**

The report presents written submissions received regarding the discontinuance of part of the unmade road reserve known as Elizabeth Street, Tatura for the purpose of consolidating the land with Cussen Park.

It is proposed that the Council receive the submissions and hear any person wishing to speak in support of their written submission.

##### **RECOMMENDATION**

That standing orders be suspended to allow submitters to be heard.

Council to hear presentations from three submitters.

##### **RECOMMENDATION**

That standing orders be resumed.

##### **RECOMMENDATION**

That the Council:

1. receive and note the submissions in response to the public advertisement of the discontinuance of part of Elizabeth Street between Ross and Park Streets Tatura; and
2. consider the discontinuance of part of Elizabeth Street between Ross and Park Streets Tatura and the public submissions received at its Ordinary Meeting to be held on Tuesday 18 June 2013.

##### **Background**

At its Ordinary Meeting held on 19 February 2013, Council resolved In accordance with Clause 3 of Schedule 10 and Sections 206 and 223 of the *Local Government Act 1989* ("the Act"), public notice be given in the *Shepparton News* and the *Tatura Guardian* of the Council's intention to discontinue part of the unmade road reserve, being an

### 3. HEARING OF SUBMISSIONS

#### **3.1 Proposed Discontinuance of Part of Elizabeth Street Between Ross and Park Streets, Tatura (continued)**

approximate area of 5,625m<sup>2</sup>, known as Elizabeth Street, Tatura located between Ross and Park Streets, Tatura for the purpose of consolidating the land with the abutting Cussen Park property, being certificate of title volume 9363 folio 250, and invite submissions from any person affected by the proposed closure.

Elizabeth Street, Tatura is an unmade road reserve abutting Cussen Park. The road reserve is well vegetated and appears to be part of the parkland. Cussen Park is freehold land owned and maintained by the Council and supported by the Cussen Park Advisory Committee. Council's consideration of this road discontinuance was initiated by a request from Cussen Park Advisory Committee members seeking to protect the existing and well established vegetation and maintain the amenity of the parkland. Discontinuing the road would enable the land to be consolidated with Cussen Park.

While sections of the road reserve may be required to be constructed as public road in the future, the section between Ross and Park Street, being an approximate area of 5,625m<sup>2</sup> is suitable to be considered for formal closure. This section of the road reserve has never formally been used as a road. The two privately owned parcels of land adjoining it are Industrial zoned and have existing road access. The Council's Planning and Development Department has advised that it would not support an application to have this section of road constructed in the future.

#### **Submissions**

At the closing date for submissions on Friday 2 April 2013, three submissions were received. Of the submissions received, two opposed the part discontinuance of the road reserve and one submission was in support.

#### **Council Plan/Key Strategic Activity**

This proposal is consistent with the Council plan. The strategic objective Environment, identifies "Work with others to achieve positive environmental outcomes for our communities".

#### **Risk Management**

Risks identified and responses are as follows:

Risks	Likelihood	Consequence	Rating	Mitigation Action
The road may be required for future use as a result of adjoining property development	Possible	Moderate	Moderate	The Planning and Development Department has advised that any adjoining developer would be required to use Williams Street as its access point
The public may not support the formal closure of the road reserve	Unlikely	Moderate	Moderate	Public notice and submission process has enabled support or opposition to be gauged

### 3. HEARING OF SUBMISSIONS

#### 3.1 Proposed Discontinuance of Part of Elizabeth Street Between Ross and Park Streets, Tatura (continued)

##### Policy Implications

The proposed discontinuance of the unused road and consolidation with Cussen Park does not conflict with any of Council policies.

##### Financial Implications

The land contained in the road reserve is currently maintained as parkland by the Council. Discontinuance of the road reserve will not require additional maintenance by the Council.

	2011/2012 Approved Budget for this proposal*\$	This Proposal \$	Variance to Approved Budget \$	Comments
Revenue				
Expense	Less than \$2,000	\$2,000		Costs for public notice and creation of a plan of subdivision of road reserve
Net Result	Less than \$2,000	\$2,000		

##### Legal/Statutory Implications

Section 206 and Clause 3 of schedule 10 of the *Local Government Act 1989* (the Act) provides the Council with the power to discontinue a road reserve or part of a road, by a notice published in the Government Gazette.

The submission process is to be undertaken in accordance with Section 223 of the Act.

##### Environmental/Sustainability Impacts

The outcome will provide an additional area for revegetation and plantings and protect existing plantings, resulting in positive environmental impacts.

##### Social Implications

This area has always appeared to be part of Cussen Park and has been incorporated into community use of the parkland. Council's support of the Advisory Committee's request to discontinue the road reserve demonstrates that the Council values the social benefits of community driven projects.

##### Economic Impacts

There would be no additional financial impacts on the Council as this portion of Elizabeth Street has always been considered to be part of the park and has been maintained accordingly.

Adjoining Industrial land owners may consider that the road reserve may be needed in the future to service their lots, and consider the road discontinuance to have an economic impact on them. The properties have alternative road access options which will provide for additional future development.

### 3. HEARING OF SUBMISSIONS

#### 3.1 Proposed Discontinuance of Part of Elizabeth Street Between Ross and Park Streets, Tatura (continued)

##### Consultation

Level of public participation	Promises to the public/stakeholders	Examples of techniques to use
Inform	Keep informed	Public notice has been given to advise of the proposal. Adjoining land holders contacted directly
Consult	Informed, listen, acknowledge	Public notice has been given and submissions invited

A number of relevant Council departments have been consulted, including Planning and Development, Operations and Asset staff. Relevant authorities, being Telstra, APA Group (gas), DSE and Vic Roads have been approached with no objections to the proposal subject to Telstra assets not being affected. As no additional works are planned as part of this proposal, if Telstra assets are present they would not be affected.

Community members participating in the Cussen Park Advisory Committee are supportive of the proposed road closure.

Public notice in accordance with the *Local Government Act* 1989 section 223 was sent to all abutting landowners and advertised in the Shepparton News on 1 March 2013 and the Tatura Guardian on 26 February 2013, inviting submissions from any person who may be affected by the proposed discontinuance.

Officers believe appropriate consultation has occurred and the matter is now ready for Council consideration.

##### Strategic Links

###### a) Greater Shepparton 2030 Strategy

This proposal is consistent with the Greater Shepparton 2030 Strategy as one of the supporting principals identified within the Environment section is “Conservation and enhancement of significant natural environments.”

##### Options for Consideration

Option 1 – To not receive or hear public submissions before discontinuing part of the unmade road reserve. **Not recommended** due to legislative requirements.

Option 2 – To receive, hear and consider public submissions before resolving to formally discontinue the road reserve. **Recommended.**

##### Conclusion

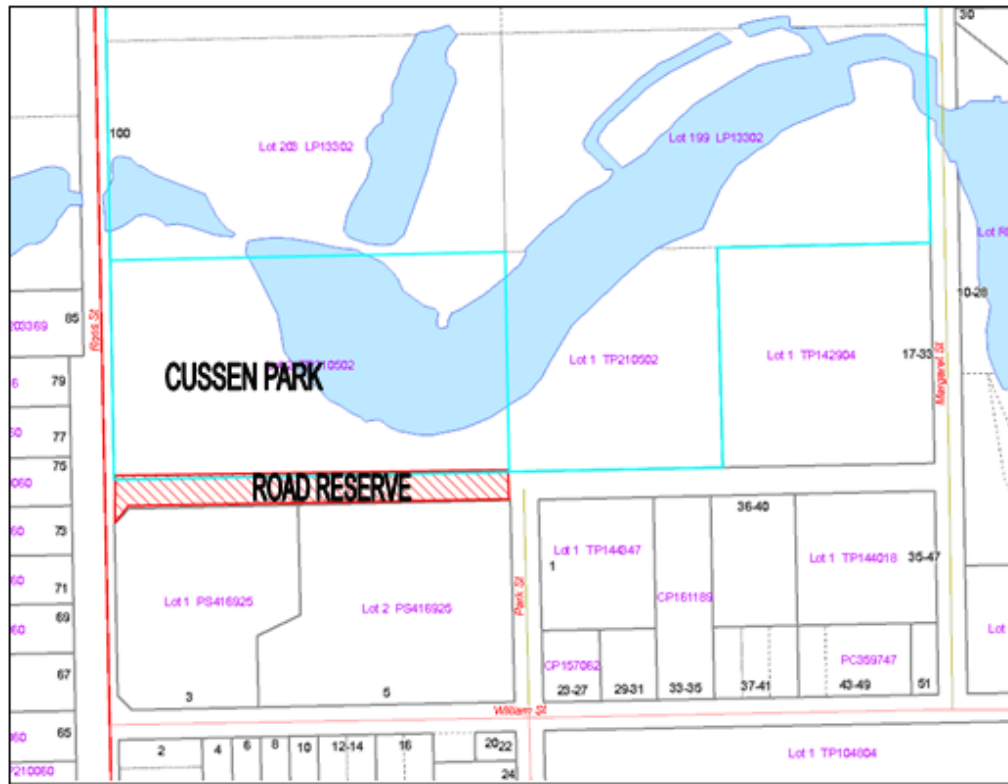
It is proposed that the Council receive the three submissions and hear any person wishing to speak in support of their written submission before determining at its Ordinary Meeting to be held on 18 June 2013 whether or not to discontinue part of the unmade road reserve known as Elizabeth Street, Tatura for the purpose of consolidating the land with Cussen Park.



### 3. HEARING OF SUBMISSIONS

#### 3.1 Proposed Discontinuance of Part of Elizabeth Street Between Ross and Park Streets, Tatura (continued)

##### Site Map and Aerial Photo



##### Attachments

Nil

#### 4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

##### **4.1 Council Plan 2013 to 2016 Incorporating the Strategic Resource Plan 2013/14 to 2022/23**

###### **Disclosures of conflicts of interest in relation to advice provided in this report**

Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest..

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

###### **Council Officers involved in producing this report**

**Author: Manager Corporate Performance**

**Proof reader(s): Team Leader Governance, Director Business, Manager Finance and Rates.**

**Approved by: Chief Executive Officer**

###### **Purpose**

Section 125 of the *Local Government Act 1989* (the Act) requires the Council to prepare and approve a Council Plan by 30 June 2013.

The Council Plan must include:

- the strategic objectives of the Council
- strategies for achieving the objectives for at least the next four years
- strategic indicators (measures) for monitoring the achievement of the objectives
- a Strategic Resource Plan prepared in accordance with section 126 of the Act,
- outlining the resources required to achieve the strategic objectives.

The Council sought input from the community, particularly during July and August 2012 when some 10,000 persons were directly involved in workshops conducted across Greater Shepparton, on priorities for the Council Plan and received more than 2400 completed surveys. These community workshops and surveys helped inform the development of the draft Council Plan.

#### **RECOMMENDATION**

That the Council:

1. authorise the Chief Executive Officer to:
  - a. give public notice of the preparation of the Draft Council Plan 2013 – 2017 incorporating the Strategic Resource Plan 2013/14 – 2022/23.
  - b. invite submissions in accordance with section 223 of the Local Government Act 1989
  - c. administer the section 223 process
2. form a committee of the whole to:
  - a. hear submissions on the Draft Council Plan 2013 – 2017 including the Strategic Resource Plan 2013/14 2022/23 made in accordance with section 223 of the Local Government Act 1989, with such submissions closing at 5.00pm on Friday 31 May 2013; and
  - b. hold a meeting to hear submissions on the Draft Council Plan 2013 – 2017 and incorporated Strategic Resource Plan 2013/14 – 2022/23 at 5:30pm on Tuesday 4 June 2013; and

#### 4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

##### **4.1 Council Plan 2013 to 2016 Incorporating the Strategic Resource Plan 2013/14 to 2022/23 (continued)**

3. consider all written submissions on any matter contained within the Draft Council Plan 2013 – 2017 and incorporated Strategic Resource Plan 2013/14 – 2022/23, and
4. consider a recommendation to adopt the prepared Council Plan 2013 -2017 with or without an amendment at an Ordinary Council Meeting to be held at 5:30pm on Tuesday 18 June 2013.

#### **Background**

In February 2013 the Council commenced development of its vision and objectives for the future involving Councillors, senior management, council staff and members of the community.

This work capitalised on the work undertaken in July/August 2012 where a significant consultation process was conducted across Greater Shepparton to seek input from the community and staff in relation to development of the new plan following Council elections which were conducted in October 2012.

Councillors participated in a series of community events, strategic planning workshops and briefing sessions, to ensure they have a shared and comprehensive understanding of current and future issues facing the community of Greater Shepparton.

In addition, the Council's community engagement strategy resulted in the involvement of over 10,000 members of the community and over 2400 surveys completed. These surveys provided valuable feedback on the community's views on the direction of Council providing proposed priorities and suggested additional matters for consideration.

The attached Council Plan 2013 – 2017 is the result of this major review. It is an important component of the Council's long-term strategic planning, which guides the organisation's budget-setting and reporting processes and draws on the issues identified in the development of the Council's Greater Shepparton 2030 Strategy. A Strategic Planning and Accountability Framework, highlighting the Council Plan's relationship to this and other key strategic documents is included in the plan.

The Council Plan 2013 – 2017 incorporating the Strategic Resource Plan has been prepared to guide the Council's activities during the term of the current Council. It will be reviewed annually to ensure that it remains current.

Any person may make a submission on the draft Council Plan, in accordance with section 223 of the Local Government Act 1989. Following consideration of any submissions, the Council must submit a copy of the plan to the Minister by 30 June 2013.

The Council Plan 2013-2017 incorporating the Strategic Resource Plan will be available on the Council's website and copies can be obtained from the Council office in Welsford Street. Formal submissions on the plan should be addressed to the Council's Chief Executive Officer. Formal submissions close at 5.00pm on Friday 31 May 2013.

#### **Council Plan/Key Strategic Activity**

This report details the development of the Council Plan in accordance with the Local Government Act.

#### 4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

##### 4.1 Council Plan 2013 to 2016 Incorporating the Strategic Resource Plan 2013/14 to 2022/23 (continued)

###### **Risk Management**

The primary risk is that the Council Plan 2013 -2017 will be seen as a Council document, rather than a community plan. To reduce this risk, the Council undertook an extensive community engagement program in July/ August 2012 and again in March 2013 accessing approximately 10,000 members of the community and receiving 2,400 completed surveys from the community. The information gained at the public meetings in addition to the completed surveys have been used to inform and guide the development of the plan and the community now has a further opportunity to influence the publicly exhibited plan prior to its final adoption.

Risks	Likelihood	Consequence	Rating	Mitigation Action
Failure to communicate with the community	E	2	Moderate	Undertake broad community consultation
Failure to comply with the Local Government Act	E	1	High	Undertake full requirements of the Act

###### **Policy Considerations**

There are no policy considerations associated with this report. The review and adoption of the Council Plan 2013 – 2017 incorporating the Strategic Resource Plan 2013/14 – 2022/23 does not conflict with any Council policy.

###### **Financial Implications**

The financial implications associated with the Council Plan 2013 – 2017 are addressed in the Strategic Resource Plan, which forms part of the plan. Specific financial allocations against the achievement of identified objectives will be determined in the annual budgets developed by the Council during the life of the plan.

###### **Legal/Statutory Implications**

Section 125 of the Act requires the Council to develop and adopt a Council Plan by 30 June of the year following the conduct of a general election.

Section 126 of the Act specifies that the Strategic Resource Plan is a resource plan of the resources required to achieve the strategic objectives. The Strategic Resource Plan must include in respect of at least the next 4 financial years:

- the standard statements describing the required financial resources in
- the form and containing the information required by the regulations;
- statements describing the required non-financial resources, including human resources.

Any person has the right to make a submission on the draft Council Plan under section 223 of the Act. Section 223 of the Act requires public notice to be given to allow for any person to make a submission on the matter. The section 223 process under the Act also allows the person making a submission to appear in person to be heard in support of their submission. Public notice is to be given of a minimum of 28 days under this section of the Act.

#### 4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

##### **4.1 Council Plan 2013 to 2016 Incorporating the Strategic Resource Plan 2013/14 to 2022/23 (continued)**

A Council must review the Strategic Resource Plan during the preparation of the Council Plan and adopt the Strategic Resource Plan not later than 30 June each year.

##### **Environmental/Sustainability Impacts**

The impacts are detailed broadly through the Environmental goal as detailed in the plan which states that “We will conserve and enhance significant natural, environmental and cultural heritage.” More specifically through the various strategies and directions outlined within the plan.

##### **Social Implications**

The impacts are detailed broadly through the Social goal as detailed in the plan which states that “We will enhance social connectedness, physical and mental health and wellbeing, education and participatory opportunities in order to improve liveability and a greater range of community services.” More specifically through the various strategies and directions outlined within the plan.

##### **Economic Impacts**

The impacts are detailed broadly through the Economic goal as detailed in the plan which states that “We will promote economic growth, business development and diversification, with a focus on strengthening the agricultural industry”. More specifically through the various strategies and directions outlined within the plan.

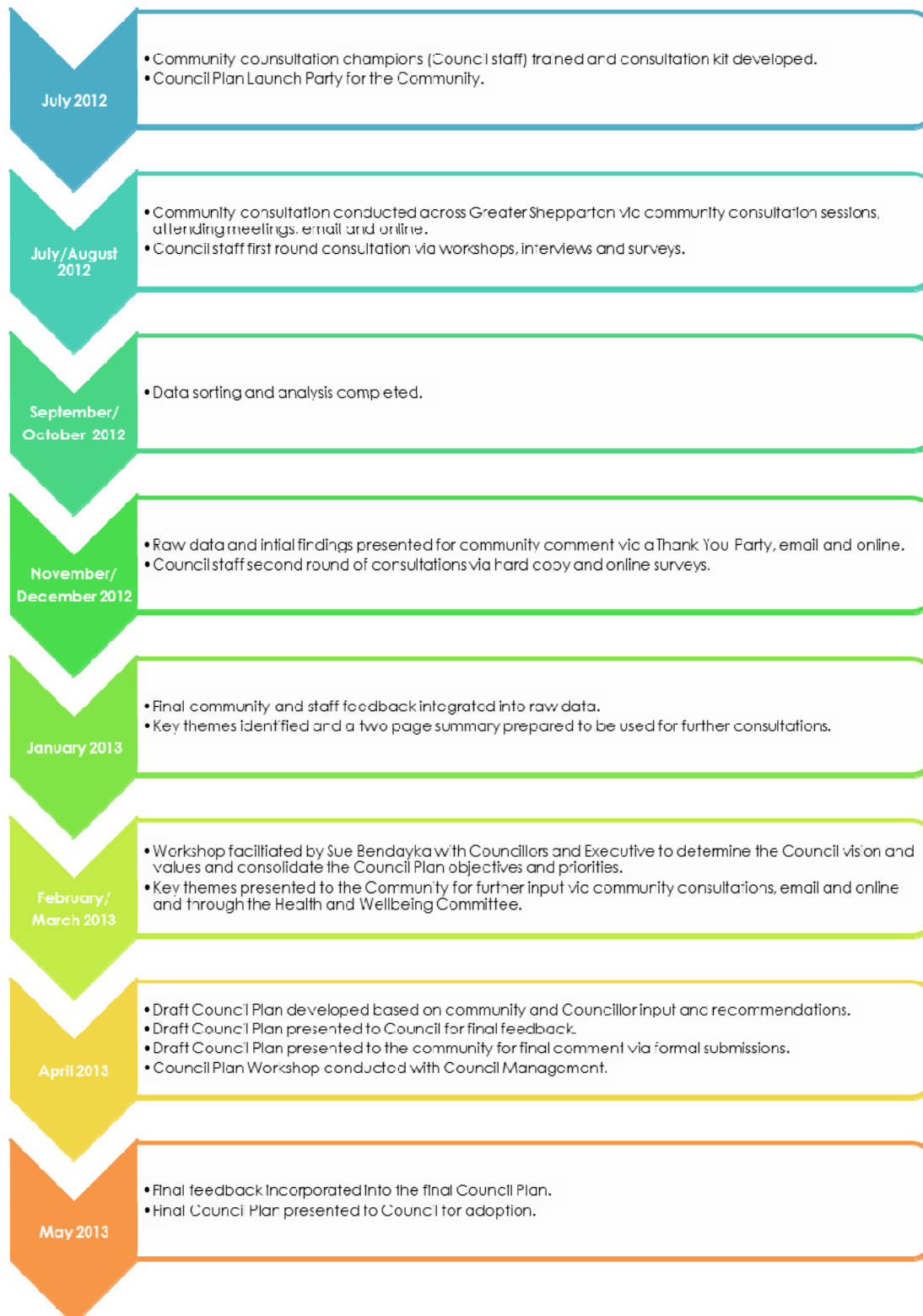
##### **Consultation**

The Council undertook a wide ranging community engagement program to encourage community input into the development of the Council Plan 2013 – 2017. This included visits to rural communities, online, print and radio advertising, random sampling and a community feedback barbecue in the Maude Street Mall. Community members will have a further four weeks to provide additional feedback and formal submissions to Council prior to the final adoption of the plan.

In developing the Council Plan 2013-2017, the following planning process was undertaken:

#### 4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

##### **4.1 Council Plan 2013 to 2016 Incorporating the Strategic Resource Plan 2013/14 to 2022/23 (continued)**



#### 4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

##### 4.1 Council Plan 2013 to 2016 Incorporating the Strategic Resource Plan 2013/14 to 2022/23 (continued)

Level of public participation	Promises to the public/stakeholders	Examples of techniques to use
Inform	Consider their contribution	Engagement and documentation of contribution for further consideration with Council
Consult	Consider their contribution	Listened and documented contributions for further consideration by Council
Involve	Consider their contribution	Conduct of workshops across Greater Shepparton involving 10,000 persons

Officers believe that appropriate consultation has occurred and the matter is now ready for Council consideration.

#### **Strategic Links**

##### a) Greater Shepparton 2030 Strategy

The Council Plan 2013 – 2017 incorporating the Strategic Resource Plan draws heavily upon the strategies contained in the Greater Shepparton 2030 Strategy.

##### b) Other strategic links

The strategic links between the Council Plan 2013 – 2017 incorporating the Strategic Resource Plan and other key Council documents are detailed in the Strategic Planning and Accountability Framework contained in the plan.

#### **Options for Consideration**

1. Adopt the draft plan and allow the statutory period for formal community consultation and subsequent adoption of the final plan to meet the statutory obligations to adopt the plan by 30 June (recommended).
2. Defer adoption of the draft plan which will delay community consultation and adoption of the final plan jeopardising the ability to meet the compliance requirements for adoption of the plan.

#### **Conclusion**

The Council undertook a wide ranging community engagement program to encourage community input into the development of the Council Plan 2013 – 2017. This included visits to rural communities, online, print and radio advertising, random sampling and a community feedback barbecue in the Maude Street Mall. Community members have a further four weeks to provide additional feedback to the Council prior to the final adoption.

The Council Plan 2013 – 2017 incorporating the Strategic Resource Plan has been prepared to guide the Council's activities during the term of the current Council. It will be reviewed annually to ensure that it remains current.

#### **Attachments**

1. Draft Council Plan 2013-2017 Incorporating the Strategic Resource Plan 2013/14 - 2022/23

## 5. BUSINESS DIRECTORATE

### 5.1 2012-2013 March Quarter Budget Review

#### **Disclosures of conflicts of interest in relation to advice provided in this report**

Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest..

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

#### **Council Officers involved in producing this report**

**Author: Team Leader Corporate Accounting**

**Proof reader(s): Manager Finance and Rates**

**Approved by: Director Business**

#### **Purpose**

The report presents the updated forecast financial performance for the 2012-2013 financial year compared to budget based on the March Quarter Budget Review.

#### **RECOMMENDATION**

That the Council approve the changes to the Operating and Capital budgets as identified in the 2012-2013 March Quarter Budget Review Report.

#### **Background**

In July 2012 the Council adopted the 2012-2013 Budget. In is now over nine months since Council set the original budget and in that time a number of factors which influence the budget have changed. It is prudent that Council reviews and updates its forecast financial performance for the 2012-2013 financial year based on what is now known.

The quarterly budget review process involves the Senior Leadership Group reviewing each of their departmental areas actual incomes and spends against forecast budgets. Any instances of variation require the Manager to update forecasts to reflect the expected year end result. The Executive then undertake a detailed review to understand and confirm forecast variations. The quarterly review is then submitted to Council for consideration.

The September Quarter Budget Review resulted in an increase in operating expenditure by \$721,000, mainly due to funded programs, leading to a lower forecast operating surplus compared to the budgeted surplus of \$5.811 million. The capital works program was increased by \$231,000, allowing for Roads to Recovery expenditure, to a total program of \$31.6 million.

As a result of the Mid Year Budget Review, the year end forecast operating surplus increased by \$1.32 million to \$6.41 million and the capital works program total forecast decreased by \$5.36 million, with the majority of capital works expenditure which may be re-budgeted as part of the 2013-2014 Capital Works Program.



## 5. BUSINESS DIRECTORATE

### 5.1 2012-2013 March Quarter Budget Review (continued)

#### Report

As a result of the March Quarter Budget Review, changes to the forecast year end result compared to the Mid Year Budget Review include:

- The forecast end of year result is an operating surplus of \$7.05 million, an increase of \$640,000 which is mainly due to a forecast decrease in operating expenditure this financial year due to:
  - a decrease in employee benefits expenditure of \$559,000 or 1.5% due to staff vacancies; and
  - lower materials and consumables expenditure of \$478,000 or 1.7% due to the timing of funded projects such as flood mitigation studies and the COAG Healthy Community Project.
- The forecast end of year capital works program is \$25.10 million, a decrease of \$1.15 million or 4.6%.  
The majority of this decrease relates to works that have not progressed as per original expectations yet may be re-budgeted as part of the 2013-2104 Capital Works Program. Reasons for projects not progressing as scheduled include external developers not progressing as scheduled, additional work undertaken on design and concept documents, extended contract discussions.
- It is forecast that there will be an underlying cash surplus of \$1.38 million at the end of the financial year an increase of \$629,000 compared to the Mid Year Budget Review.  
The underlying cash surplus will be confirmed as part of the finalisation of the year end result and is proposed to be used to replenish cash reserves that were used to fund repayment of Council's defined benefit superannuation liability.

Details as to variances are contained within this report and in the attached 2012-2013 March Quarter Budget Review Report.

#### Cash Surplus

The term surplus is often perceived to be cash. Table 1 below provides a high level summary as to how the forecast cash surplus is established from the starting point of the accounting surplus on the Income Statement.

The surplus reported in the Income Statement is an accounting surplus, it is accrual based and required for compliance with accounting standards. It should be noted that it contains both cash and non-cash items. It is important that from an operating level the Council delivers a cash surplus which is used to fund the capital works program which is not shown as expenditure on the Income Statement but as an increase in assets in the Balance Sheet.

## 5. BUSINESS DIRECTORATE

### 5.1 2012-2013 March Quarter Budget Review (continued)

<b>Table 1: High Level Summary - Income Statement Surplus Converted to Cash</b>		
Surplus from the Income Statement		7,048,080
<i><u>Less cash items not included in Income Statement</u></i>		
Capital Works Expenditure	25,101,129	
Loan Repayments - Principal	362,000	
Transfers from Reserves *	(13,275,872)	
Transfers to Reserves #	8,320,794	
Sub total		<u>20,508,051</u>
<i><u>Add non cash items included in the Income Statement</u></i>		
Depreciation	17,646,000	
Assets Sold	294,000	
Internal Charges	(99,619)	
Contributed Assets	(3,000,000)	
		<u>14,840,381</u>
<b>UNDERLYING CASH SURPLUS FORECAST AT 30 JUNE 2013</b>		<b><u>1,380,410</u></b>

Note:

Transfers from Reserves include both operating and capital funds received in past financial year or project allocations carried forward.

\* Transfers from reserves include the following items: Grants Commission \$5.3 million, Community Connections \$163k, Flood Resilience \$73k, LEAD \$188k, COAG Healthy Communities \$127k. It also includes Saleyards, Parking and Waste Management capital projects \$1.8 million, Soccer Complex \$200k, Mooroopna West DCP \$328k, 2011/12 and project carry forwards \$4.8 million, with the balance being minor movements.

#Transfers to reserves include the following items: operational surpluses from Saleyards, Parking and Waste Management services \$3.2 million, flood recovery funding relating to 2011/12 \$500k, Defined Benefits Superannuation Liability funding \$700k, recreational land fund contributions \$110k. Capital transfers to reserve include Building Better Regional Cities Mooroopna West \$2 million and a number of individual projects that are not expected to be completed in the current financial year with a combined total of \$1.6 million.

Table 2 reconciles the movements between the September Quarter Budget Review and this proposed Mid Year Budget Review.

## 5. BUSINESS DIRECTORATE

### 5.1 2012-2013 March Quarter Budget Review (continued)

**Table 2: Movements between the Mid Year Budget Review and the March Quarter Budget Review**

Income Statement - increase in surplus		637,230
Increases in internal charges (non-cash)	(113,197)	
Reserve Transfer Movements - Operating	118,312	
Decrease in Capital Works Program	1,146,508	
Reserve Transfer Movements - Capital	(1,160,158)	
		(8,535)
		<b>628,695</b>
Cash surplus from Mid Year Budget Review		751,715
Forecast Underlying cash surplus at March Quarter Budget Review		<b>1,380,410</b>

#### Council Plan/Key Strategic Activity

This proposal is consistent with the strategic objective Council Organisation and Management.

#### Risk Management

Monitoring of the 2013/2013 Adopted Budget provides for prudent financial management and ensures that Council is made aware of any known or potential financial risks.

Risks	Likelihood	Consequence	Rating	Mitigation Action
Inability to achieve current budget due to: 1. operational costs or capital projects exceeding budget; or 2. Operational or capital income not reaching budgeted levels Exposing the Council to cash deficit budgets.	Likely	Moderate	Moderate	1. Continually review internal controls are in place; and 2. Review detailed monthly financial reports and take corrective action where forecast varies against budget.
Breaching the Local Government Act by expending funds against line items without endorsed budget.	Possible	Moderate	Moderate	Undertake quarterly budget reviews to formally consider and adjust for any known variances.

## 5. BUSINESS DIRECTORATE

### 5.1 2012-2013 March Quarter Budget Review (continued)

Risks	Likelihood	Consequence	Rating	Mitigation Action
Unfunded Defined Benefits Superannuation Call impacts short term financial sustainability.	Likely	Moderate	High	Strategy to replenish cash reserves included in 2013-2017 Strategic Resource Plan.

#### Policy Considerations

There are no identified conflicts with existing Council Policies.

#### Financial Implications

Detailed throughout the attached report.

#### Legal/Statutory Implications

Section 138 of the *Local Government Act 1989* requires that at least every three months the Chief Executive Officer must ensure a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date are presented to the Council. A detailed financial report is presented to the Council each month.

#### Environmental/Sustainability Impacts

There are no environmental or sustainable impacts that will arise from this proposal.

#### Social Implications

There are no social impacts that will arise from this proposal. The community however will benefit from prudent financial management combined with open and transparent governance.

#### Economic Impacts

There are no identified economic impacts.

#### Consultation

External consultation has not occurred regarding the contents of this report. Specific consultation, however, has and will take place on some specific items within the budget as and when appropriate.

Appropriate consultation has occurred with Council officers and the matter is now ready for Council consideration.

#### Strategic Links

##### a) Greater Shepparton 2030 Strategy

Nil

##### b) Other strategic links

The report is consistent with the governance principle of Strategic Objective six of the Council Plan 29-2013 "Council Organisation and Management".

## 5. BUSINESS DIRECTORATE

### 5.1 2012-2013 March Quarter Budget Review (continued)

#### **Options for Consideration**

1. That the Council not adopt the revised forecasts identified by the 2012-2013 March Quarter Budget Review.

This option is not recommended.

2. The Council adopt the revised forecasts identified by the 2012-2013 March Quarter Budget Review (with or without further amendment).

This option is recommended as it provides for the known budgetary variances to be reflected in the end of financial year forecasts.

#### **Conclusion**

This report has been prepared and presented to identify and reflect known variances in the end of year financial forecasts for the Operating and Capital Budgets.

#### **Attachments**

1. 2012-2013 March Quarter Budget Review Report

## **6. CONFIDENTIAL MANAGEMENT REPORTS**

### **6.1 Designation of Confidentiality of Information – Report Attachments**

#### **RECOMMENDATION**

In accordance with section 77(2)(b) of the *Local Government Act 1989* (the Act) the Council designates as confidential the summary report and written submissions in relation to the Rating Strategy 2013-2017 Discussion Paper which have been designated by the Chief Executive Officer or his delegate in writing as confidential under section 77(2)(c) of the Act. These documents relate to matters which the Council considers would prejudice Council or any person, which is a relevant ground applying under section 89(2)(h) of the Act.