

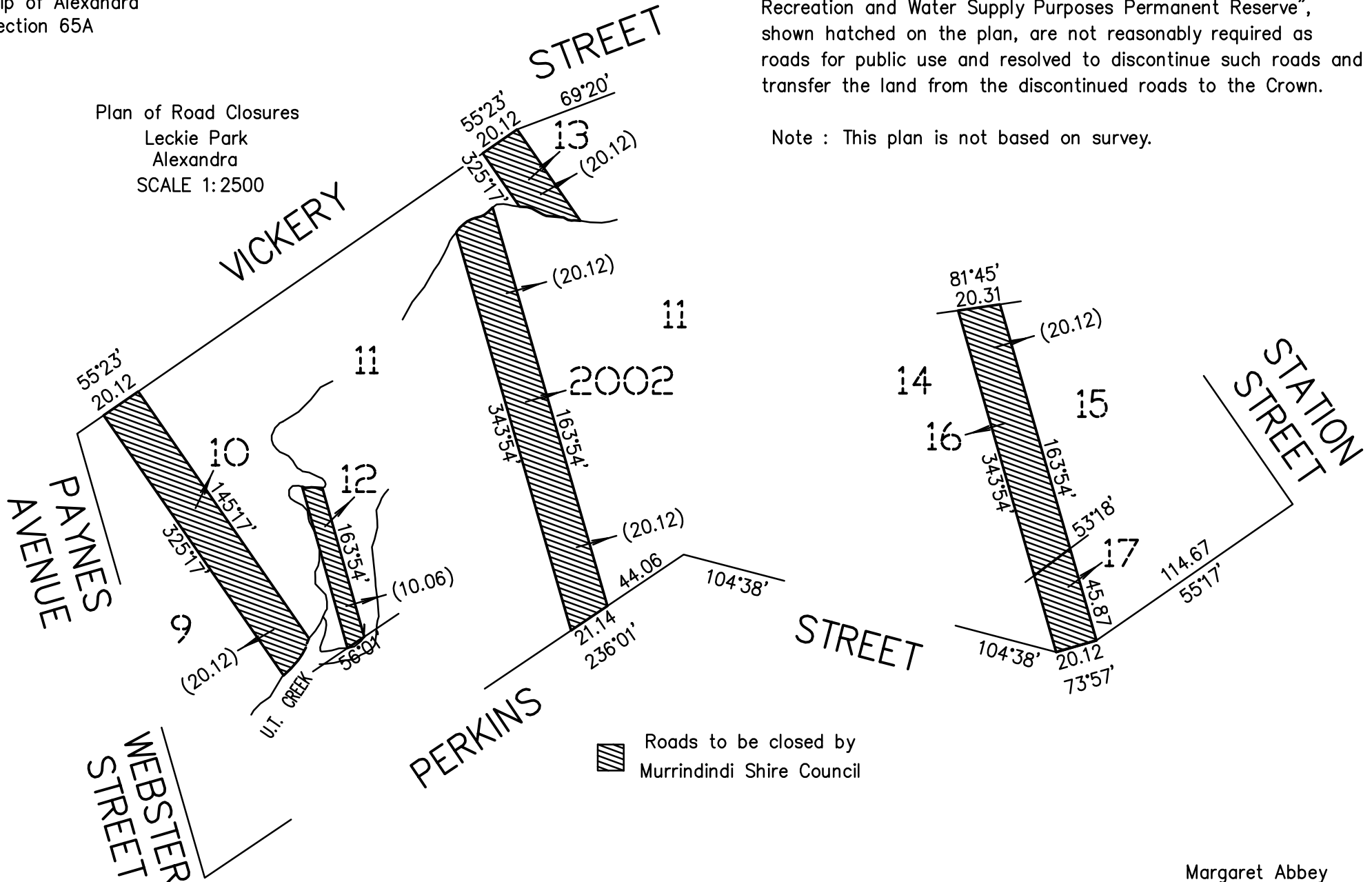
LOCAL GOVERNMENT ACT 1989
MURRINDINDI SHIRE COUNCIL
DISCONTINUANCE OF ROADS
Parish of Alexandra
Township of Alexandra
Section 65A

Pursuant to Section 206 and Schedule 10, Clause 3 of the Local Government Act 1989, the Murrindindi Shire Council, at its ordinary meeting on, formed the opinion that the roads within "Leckie Park – Recreation and Water Supply Purposes Permanent Reserve", shown hatched on the plan, are not reasonably required as roads for public use and resolved to discontinue such roads and transfer the land from the discontinued roads to the Crown.

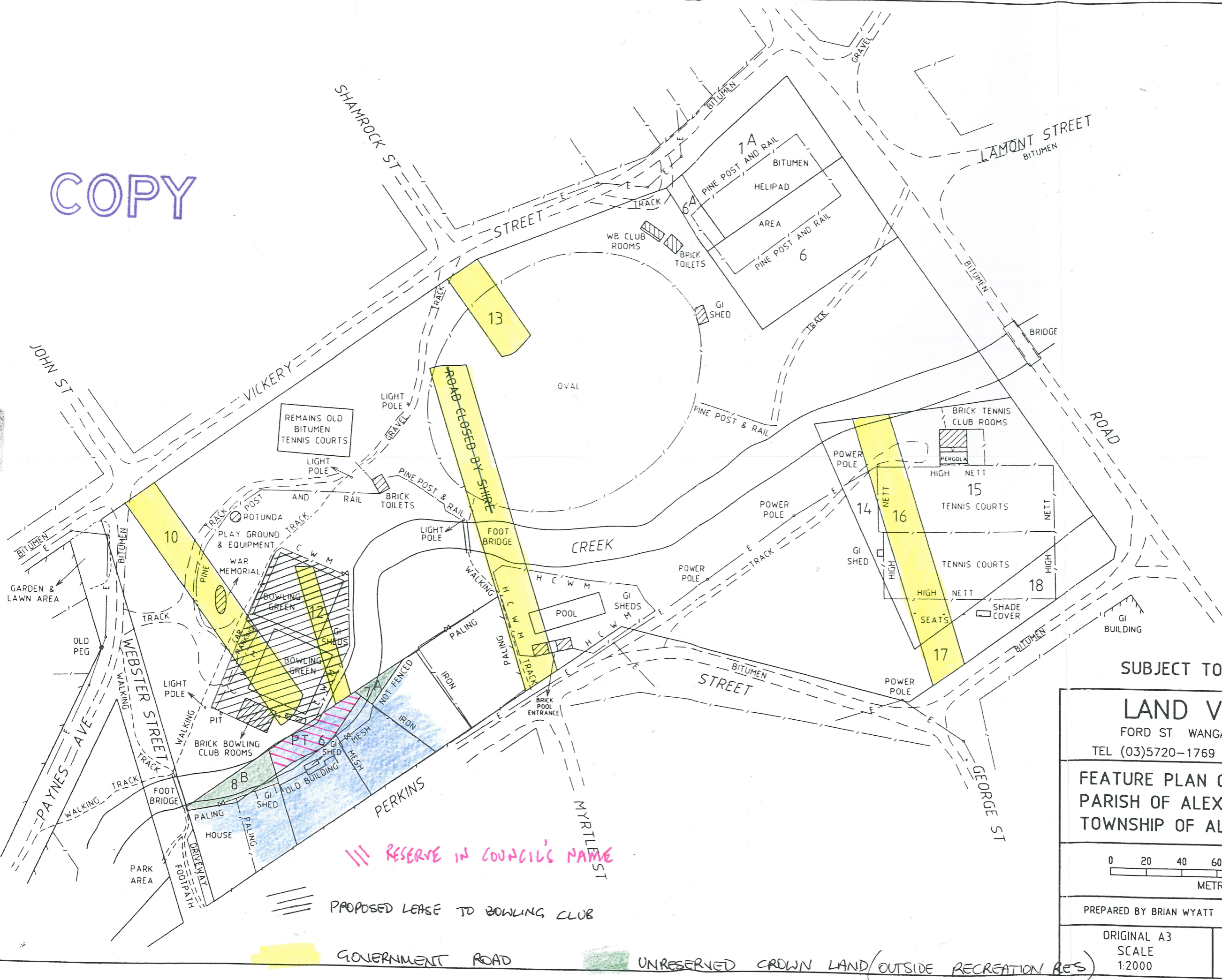
Note : This plan is not based on survey.

APPROX.
TRUE NORTH*

Plan of Road Closures
Leckie Park
Alexandra
SCALE 1:2500



COPY

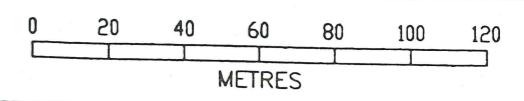


SUBJECT TO SURVEY

LAND VICTORIA

FORD ST WANGARATTA VIC 3677
TEL (03)5720-1769 FAX (03)5721-7238

FEATURE PLAN OF LECKIE PARK PARISH OF ALEXANDRA TOWNSHIP OF ALEXANDRA



PREPARED BY BRIAN WYATT

ORIGINAL A3
SCALE
1:2000

PLAN NO.
A/15-11-99

RESERVE IN COUNCIL'S NAME

PROPOSED LEASE TO BOWLING CLUB

GOVERNMENT ROAD

UNRESERVED CROWN LAND (OUTSIDE RECREATION RES)

FREEHOLD LAND

Minutes - Murrindindi Environment Advisory Committee				File: SF/1078		
Date	22 Nov 2016	Time	1:30 - 3.30pm	Location: Alexandra Main Meeting Room		
Attendance:		Rita Seethaler, Ron Litjens, Roger Cook, Steve Meacher, Nigel Waterhouse, Ann Jelinek, Robert Chaffe, Mark Leitinger, Golam Kibira, Josh Russell, Zoe Blakeney		Apologies: Christine Glassford, John Coyne, Judy Watts		
Item	Description of Issue			Action	Who	When
1.	Conflict of Interest: NIL					
2.	<u>Previous minutes (SF/1078)/acceptance & second</u> Acceptance: Roger Seconded: Ron			1.30pm – 1.35pm	ML	
3.	<p><u>Matters arising – previous minutes:</u> Matters arising from previous minutes were discussed and deliberated during the presentation of Item 4 and 5.</p> <p>Committee also agreed to add two new items on the agenda:</p> <p>New Item #1: Timber Release Plan – Second Round of Changes to Proposed Schedule, due to:</p> <ul style="list-style-type: none"> • Additional confirmed sightings of Leadbeaters Possum which has resulted in reduced harvesting areas (buffers) leading to, • Expansion of coupes to meet VicForests' rolling schedule of timber supply commitments. <p>The Committee's community representatives were discussing the concerns and issues related to these recent changes having significant implications on biodiversity, tourism, cultural and heritage values, scenic and landscape values and transport infrastructure (specifically roads).</p>			<p>Ann Jelinek and Steve Meacher to prepare short briefing paper to new Council on the community's concerns regarding the TRP proposed changes.</p> <p>Mark via executive to organise a date for Council briefing and presentation.</p>	<p>AJ & SM</p> <p>ML</p>	<p>2/12/16</p> <p>2/12/16</p>

	<p>New Item #2: Manager update on staff and resources. Mark provided an update on the arrangements in place while Zoe Blakeney is on maternity leave. Josh Russel will step in as Acting Coordinator, and Golam Kibira has been employed for a 12 month contract as Environment & Waste Officer.</p>	For information only		
4.	<p>Environment Strategy Discussion Draft Focus Session:</p> <ul style="list-style-type: none"> • Feedback on internal engagement including presentation of outcomes and discussion • Input into community engagement <p>Zoe Blakeney reported the progress to date on action development and evaluation design. Committee members provided the following feedback which will be incorporated as changes to existing work:</p> <ul style="list-style-type: none"> • The terms used in the proposed evaluation design need to be reviewed to improve clarity. A glossary of definitions is also required so readers understand how to interpret the information. • There was specific feedback regarding changing the 'names' of terms. The existing evaluation terminology appeared to be cause of confusion among some MEAC members e.g. focus was on changing 'assumptions' to 'conditions' and 'initiatives' to 'result areas or strategies'. • Overall the Committee suggested to simplify the design and make it less complex. <p>Zoe Blakeney also presented on the progress of some graphics to help communicate the strategy. The Committee advised the following:</p> <ul style="list-style-type: none"> • Reduce quantity of text considerably and put into a secondary document which would be the strategy in full. • Reduce clutter on some pages. • Incorporate glossary of definitions in final version for both documents and ensure bibliography is included in full strategy document. • Ensure design is universally accessible to different 	To incorporate MEAC feedback into revision of work undertaken to date and provide further draft for MEAC comment.	JR	31/1/17

	audience needs (e.g. visually impaired).			
5.	<p>Corporate Resource Consumption and Greenhouse Gas Emissions Report:</p> <p>Zoe Blakeney presented on the corporate resource consumption and GHG emissions annual report. Due to time constraints, it was agreed that a copy of the power point would be shared with the minutes and the final report would be distributed to MEAC after the Council have been briefed on the report's outcomes. This would be done prior to the next MEAC meeting to enable member's ample time to review and consider the information.</p>	To coordinate reporting via Council and arrange for distribution of information to MEAC	JR/GK	Prior to MEAC February 2017 meeting
6.	<p>Round table update:</p> <ul style="list-style-type: none"> • Cathedral Lane Roadside Conservation Signage has been vandalised. Sue McNair is aware of this, and action is being followed up. • Strath Creek Landcare Group continues to implement the Creeklinks Project, aimed at improving the riparian health of properties along the King Parrot Creek. • Yea Wetlands Committee continues to look at ways to manage the clean up of large old trees fallen during recent storm events in the Yea Wetlands area. • DELWP is currently reviewing the native vegetation management regulations (Clause 52.17 and associated guidelines), and the FFG Act. No final recommendations have yet been put forward. The State Government's Biodiversity Strategy is also close to adoption. Additionally planning permit fees have increased considerably. It is now ten times more expensive to secure a permit to remove native vegetation for developments that are less than \$10,000 value (e.g. construction of a shed). This may increase occurrence of illegal native vegetation removal, as landholders look for ways to avoid paying such high fees. This has potential to lead to undesirable outcomes for our environment (i.e. no mechanisms in place to offset losses). 	To follow up replacement for Cathedral Lane signage.	SM	31/12/16

	<ul style="list-style-type: none"> • Murrindindi Climate Network continues its work in relation to supporting community facilities improve energy efficiency. Recent work includes improving energy generation facilities at Lake Mountain, and upgrading the Marysville RAC and VIC. • Toolangi's Forest Discovery Centre is open and has attracted a range of visitors. Recently hosting the Toolangi Sculpture Festival which has been a successful event. • The Great Forest National Park business case report is currently under preparation by the Nous Group and is demonstrating a clear case for economic and community benefit. The report will be made available soon. The project team have been contacting the economic development areas of respective Council's involved (Yarra Ranges, Baw Baw and Murrindindi) to seek interviews. 	<p>To follow up opportunity to interview Council's Coordinator Economic Development in the preparation of the Great Forest National Park Business Case Report by NOUS.</p>	<p>ZB/JR</p>	<p>31/12/16</p>
	<p>Next Meeting: 14 February 2017 Location: Yea Y Water Centre</p>	<p>Time: 1.30pm</p>		
	<p>Meeting closed: 3.45pm</p>			



MINUTES
of the
AUDIT ADVISORY COMMITTEE MEETING
held on
THURSDAY 8 DECEMBER 2016
in the
ALEXANDRA COUNCIL CHAMBER
commencing at
3.00 pm

SUBJECT TO CONFIRMATION

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1. PRESENT/APOLOGIES***Present:***

Michele Sheward (Chair)
Ian McKaskill
Richard Rogerson
Cr Charlotte Bisset (Mayor)
Cr Sandice McAulay
Cr Leigh Dunscombe

In Attendance

Michael Chesworth, General Manager Corporate and Community Services
Margaret Abbey, Chief Executive Officer
Andrew Bond, Manager Business Services
Amanda Vogt, Coordinator Procurement and Risk Management
John Gavens, Crowe Horwath
Audrey Kyval, Governance Officer

2. DECLARATIONS OF INTEREST

John Gavens declared an interest in Item 6.2 as he is a partner of Crowe Horwath.

3. CONFIRMATION OF MINUTES

3.1 Minutes of the Audit Advisory Committee Meeting held 16 September 2016

Officer Recommendation:

That the Minutes of the Audit Advisory Committee Meeting held 16 September 2016 be confirmed.

RESOLUTION:

I McKaskill / M Sheward

That the Minutes of the Audit Advisory Committee Meeting held 16 September 2016 be confirmed.

CARRIED

4. REVIEW OF AND BUSINESS ARISING FROM PREVIOUS MINUTES**4.1 ANNUAL LEAVE AND LONG SERVICE LEAVE**

REF: 16/46598

Attachments: Employee Annual Leave Report In Excess of 6 Weeks (refer *Attachment 4.1a* – TRIM 16/46598)
Trend Graph of Accrued Annual Leave (refer *Attachment 4.1b* – TRIM 16/46598)
Annual Leave Balance Against Benchmark (refer *Attachment 4.1c* – TRIM 16/46598)

Purpose:

The purpose of this report is to provide the Audit Committee with an overview of the status of Council's excess annual leave and long service leave balances.

This report is provided as an annual report.

Officer Recommendation:

That the Audit Committee notes the report on accrued annual leave and long service leave balances.

Discussion:

Annual Leave

All managers have access to a leave report that enables them to view excess leave for their staff. The Human Resources (HR) Unit reports to the Executive Team bi-monthly on staff with leave in excess of 8 weeks.

Staff With Excess 6 Weeks Annual Leave

As at 31 August 2016, there were 48 staff with leave in excess of 6 weeks. This is seven fewer than in August 2015. The hours accrued by this group has fluctuated over the last twelve months with an overall net decrease of 877 hours over the previous year.

Previous year	# of staff with excess of 6 weeks	Available Hours for staff with excess of 6 weeks	Change in hours for staff with excess over previous year
Sep-13	54	12,895.88	
Aug-14	54	12,979.54	83.66
Aug-15	55	12,852.38	-127.16
Aug-16	48	11,975.36	-877.02

All Staff Annual Leave

The total of accrued hours (annual leave accrual for all staff) has dropped from the same date last year (less 886 hours). The total accrual is still 897 hours more than at the same time in 2008, and fewer (-1334 hours) than at the same time in 2009. Though this figure is an improvement on last year, the result would ideally be closer to 2008 levels as staffing numbers are comparable.

Year	All AL hours accrued	+/- over previous year
10/09/08	23,585.56	
09/09/09	25,816.14	2,230.58
08/09/10	28,388.17	2,572.03
07/09/11	29,318.57	930.40
05/09/12	26,517.96	-2,800.61
06/09/13	23,225.37	-3,292.59
04/09/14	23,790.91	565.54
03/09/15	25,368.40	1,577.49
31/08/16	24,482.30	-886.10

In the 2015 report the accrual had risen on the previous year. In 2016 this has been reversed and the annual leave accrual is falling again. The challenge remains on continuing to reduce the overall leave balance, closer to the target benchmarks (set in the 2013-14 year):

- Benchmark 1 = an average of 20 days (4 weeks or 152 hours) per EFT
- Benchmark 2 = an average of 12.5 days (2.5 weeks or 95 hours) per EFT

The focus by Human Resources has been primarily on those employees with leave in excess of 8 weeks. The HR Coordinator again contacted all managers and as well as the affected staff and required that a leave plan was put in place for all staff with excess leave. The Annual Leave Policy has also recently been updated and circulated to remind employees that they can be directed to take leave to reduce their balance.

The 2015 Enterprise Agreement clause which enabled staff to cash out excess annual leave has not had a major impact overall, with this provision only being taken up by six employees to date.

These six employees are all in the Community Services department (where some large balances had built up) resulting in a reduction of 232 hours (6.1 weeks; or the equivalent of 16 weeks at their normal hours of work). This is pleasing as the department has struggled to encourage this cohort of employees (Community Support Officers) to reduce their annual leave accrued hours in the past. Work will continue on this strategy.

The attached tables report by Department the number of staff and their amount of excess hours. Managers have access to full details. Note also:

1. While employees may have agreed leave plans, the actual leave request is not always lodged in the database as approved leave until close to the time of leave (therefore does not reduce pending balances in the report)
2. Staff without access to online leave approval, may have approved leave but the paper work is not entered until the leave is taken (also not reducing pending balances)
3. In areas such as Community Services staff with low workloads (eg. 7 hours/week), may have excess number of weeks leave, but once calculated as Full Time Equivalent weeks, the amount of time (liability) appears more manageable, and the number of staff with more than 8 full time equivalent weeks reduces significantly.

Long Service Leave (LSL)

The following provides an annual indication of the LSL accrued entitlement for the past four years.

Council's LSL balance reduced by 3,425 hours (approx 90 full time equivalent weeks) in the past 12 months partly due to some staff taking LSL and some long term staff retiring and being paid out their leave.

Annual	TOTAL LSL hours	Change +- accrued hours	Change in FTE* weeks
01/10/12	54,500.90		
21/08/13	54,387.60	-113.30	-2.98
04/09/14	55,420.94	1,033.34	27.19
19/08/15	53,187.21	-2,233.73	-58.78
31/08/16	49,762.76	-3,424.45	-90.02

* Full Time Equivalent

Conclusion:

The Coordinator HR and Executive Management Team will continue to monitor and report on trends, and support managers to implement leave plans for employees with outstanding leave balances.

Attachment 4.1a: Annual Leave Report – excess of 6 weeks, by Department (those without excess leave not listed)

Attachment 4.1b: Trend Graph of Accrued Annual Leave

Attachment 4.1c: Accrued annual leave compared to benchmark of four (4) weeks per EFT and benchmark 2 of 95 hours per EFT

The Committee requested that the table of all staff Annual Leave have additional column showing the number of total employees in future reports.

RESOLUTION:

I McKaskill / Cr S McAulay

That the Audit Committee notes the report on accrued annual leave and long service leave balances.

CARRIED

5. RISK MANAGEMENT

5.1 REVIEW RISK REGISTER (SUMMARY OF CHANGES)

REF: 16/68657

Attachments: Strategic Risk Register – Summary Report (refer *Attachment 5.1a* – TRIM 16/70642

Strategic Risk Register – Detailed Report (refer *Attachment 5.1b* - TRIM 16/70641)

Purpose:

To provide an update on Council's Strategic Risk Register

Officer Recommendation:

That the Strategic Risk Register be noted

Background:

The purpose of Council's Enterprise Risk Management Policy, which was adopted in June 2016, is to promote an integrated approach to risk management across Council so that the risks affecting the achievement of Council's objectives are identified, assessed and treated to an acceptable level.

The Enterprise Risk Management Committee (ERMC) is responsible for overseeing Council's strategic risks and reporting to the Executive Management Team, Audit Advisory Committee and Council, as outlined in the Enterprise Risk Management Policy. The ERMC meets monthly to review Council's Strategic Risk Register and consider new and emerging risks.

Council Plan/Strategies:

This report is consistent with the following strategies of the Council Plan 2013-2017:

- To continue to improve our processes to enhance the efficiency and effectiveness of the organisation

Legal/Policy Issues:

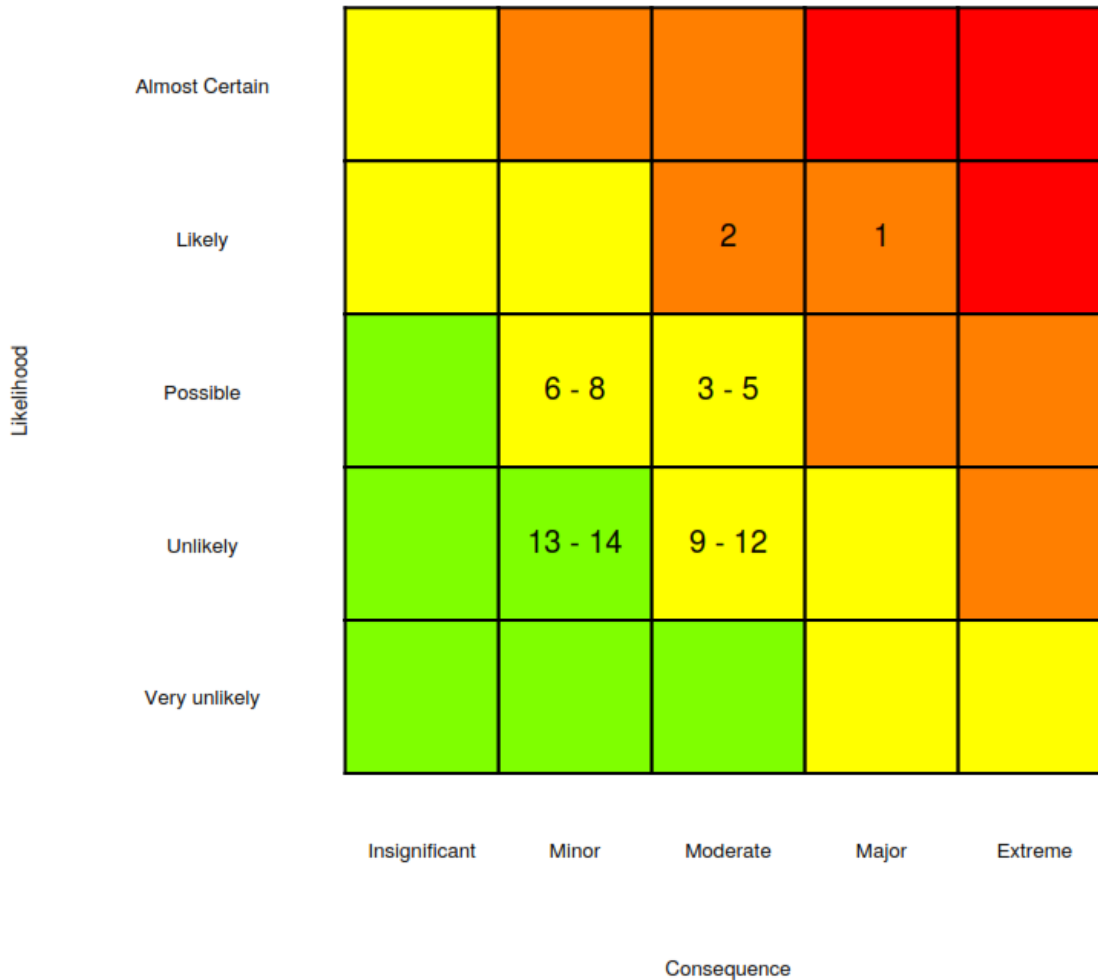
Under the Local Government Performance Reporting Framework, Council has a requirement to report on an annual basis whether it has considered six monthly reports on strategic risks concerning the Council's operations, including their likelihood and consequences of occurring and risk minimisation strategies.

Financial/Resources/Risk:

The Enterprise Risk Management Policy aims to maximise the organisation's capacity to achieve strategic goals for Council and the broader community and ensure that risk management is integrated with decision making and business planning decisions. An intended benefit of this is improved identification and management of risks, improved financial outcomes through better risk based decision making and more effective allocation and use of resources.

Discussion:

Council strategic risk heat map is included below:



Council’s Strategic Risk Register detailed report (attached) provides more detailed information on the above risks, existing controls and planned treatments. The Audit Advisory Committee will be provided with an update on changes that have been made to the register since the last meeting.

Consultation:

The Executive Risk Management Committee members consult as required across their areas of responsibility

Conclusion:

Council’s has developed a Strategic Risk Register which is continually under review to ensure that it is well positioned to respond to existing and new uncertainties regarding the achievement of its objectives.

The Committee requested to receive only a summary of new risks or those where the risk rating had changed in future meetings. The Committee also recommended that consideration be given to the impact of natural disasters and emergencies management as a risk.

RESOLUTION:

**Cr L Dunscombe / R Rogerson
That the Strategic Risk Register be noted**

CARRIED

5.2 REVIEW BUSINESS CONTINUITY PLAN

Annual Review of Business Continuity Plan

REF: 16/68002

Attachments: Business Continuity Plan v.2.1 November 2016 (refer *Attachment 5.2* – TRIM 16/15743)

Purpose:

The purpose of this report is to enable the Audit Advisory Committee to review Council's Business Continuity Planning Framework.

Officer Recommendation:

That the annual review of the Business Continuity Plan be noted.

Background:

It is well established that organisations with a Business Continuity Plan (BCP) are statistically more likely to be able to return to full business capability within acceptable timeframes following a significant business interruption event.

In 2014 the administration undertook a full review and redevelopment of the Council's BCP framework to align with best practice standards. This included the establishment of a business continuity project team, workshops with officers, and a vulnerability assessment and business impact analysis (BIA) with all sections of the organisation.

The new BCP was finalised in late 2015 and following further testing and development this year a recent revision was completed in November 2016 and endorsed by Council's Executive Management Team and is provided in the *Attachment 5.2*.

Overview of the Plan

The BCP is not a response manual to every possible business interruption event, but rather is a reference document to assist a Business Recovery Team to make informed decisions in a logical and considered manner to best respond to such an event.

The Plan's aims are to:

- Minimise the duration of a serious disruption to business operations
- Identify weaknesses and implement a major business interruption prevention and/or recovery program
- Facilitate effective co-ordination of recovery tasks
- Reduce the complexity of the recovery effort

The decision to activate the BCP following an event is made by the Chief Executive Officer on advice from the Business Continuity Co-ordinator and, if the event is part of a wider municipal emergency, the Municipal Emergency Resource Officer (MERO).

The Plan outlines the following:

- The relationship between the BCP and the Municipal Emergency Management Plan
- Roles and responsibilities of the Business Recovery Team and other key staff in a business recovery situation
- Critical business processes across Council and scaled timeframes for their recovery

- Information technology (IT) and telecommunications requirements to support the implementation of the BCP
- The nomination of Yea Council Offices as the IT recovery site, and business recovery site should access to the Alexandra offices be denied following an event
- Prioritisation of Council services/functions to cater for various levels of staff loss, such as could occur in a pandemic

Whilst the BCP focuses on a worst case scenario, being the complete loss of access to the Alexandra Head Office of Council, it enables a scaled activation of the plan's elements for events that are less significant, but nevertheless involve some form of business interruption.

The BCP allows for the restoration of critical business systems (including required IT services) within 1 to 2 days following a serious interruption event affecting principle IT systems, utilising the Yea Office as the nominated disaster recovery site for IT systems.

As part of the BCP development all Council Departments have developed manual workarounds for critical functions for the time it takes to restore IT systems. In addition, Departments have established business recovery sub-plans to support corporate business recovery.

Council Plan/Strategies:

This report is consistent with the Council Plan 2013-2017 strategy under the Our Council to 'continue to improve our processes to enhance the efficiency and effectiveness of the organisation'.

Legal/Policy Issues:

Council has statutory obligations to perform a range of functions and services. There may be legal implications if there was a significant business interruption and Council was not able to recover critical business functions in a reasonable time frame.

Financial/Resources/Risk:

The business impact analysis assessed the likely impact of business interruption, and the level of tolerance that Council would accept or mitigate. Proactive actions to address these impacts have been identified in the BCP.

Discussion:

Annual Review and Development of the Plan

During the last 12 months several enhancements to support the implementation of the BCP have been developed and implemented. These improvements include:

- Training of the Business Recovery Team members and their proxies in the use of Crisisworks, an emergency management and incident coordination package that enables the real time logging, sharing, tracking and reporting of all information pertaining to an incident.
- The requirements for re-establishing Council's office administration at the Yea office as a medium to long term recovery site have been scoped, office layouts established and suppliers of infrastructure requirements (works stations, portable offices etc.) identified.
- Establishment and testing of a communications messaging solution using Telstra Integrated Messaging to enable consistent, fast and simultaneous communication to all Council staff if an incident results in loss of Council's IT systems.
- Preferred supplier/contractor register was established and linked to the BCP to aide procurement of materials/services to assist in recovery and restoration activities following an incident.

- Completion of works at the Yea office to establish a secure and climate controlled server room which houses Council's back-up IT systems.
- Modification of the PABX at Yea to accommodate additional incoming lines in the event the Council's phone systems are switched to Yea.
- Completion and testing of the IT Disaster Recovery Plan (a sub-component of the BCP) involving a full and successful restore of Council's servers and data following a simulated business interruption event.
- Refinement and partial testing of departmental BCP sub-plans.

In addition, three BCP test exercises using different emergency scenarios and involving the Business Recovery Team were undertaken on 21 January, 24 May and 10 October to increase the knowledge of the Team regarding the BCP, business continuity interruptions and their effect on Council operations and services.

The BPC exercises undertaken had 5 main objectives:

1. To test the Business Continuity Plan (BCP) and use of Crisisworks system while dealing with a simulated emergency.
2. Assess the capacity and capability of the Business Recovery Team (BRT) to implement the BCP.
3. To increase participants knowledge of the BCP and its processes.
4. To examine the impact on BCP of a large emergency scenario.
5. Test departmental subplans.

By regular exercising and practicing skills Council staff can be better prepared for when actual emergencies or interruptions strike. They are also more aware of the impact of any such event on other departments.

A recent internal audit of Council's IT Security by Crowe Horwath has examined Council's IT Disaster Recovery Plan and identified the need to further develop procedures on how to return IT services back to normal operation post disaster or outage at the original site. This will be considered over the coming 12 months.

It is also necessary to conduct a full live test of the BCP involving the entire organisation and it is proposed that this be scheduled for mid 2017, although a precise date is yet to be determined.

Consultation:

Extensive internal consultation has occurred throughout the project to ensure the plan is a comprehensive assessment of recovery impacts and required actions.

Conclusion:

The Business Continuity Plan significantly improves Council's preparedness and response to a significant business interruption event and hence is a critical component of Council's strategic risk management framework.

RESOLUTION:

I McKaskill / Cr L Dunscombe

That the annual review of the Business Continuity Plan be noted.

CARRIED

5.3 CEO'S REPORT INTO LEGAL AND POLICY COMPLIANCE

Attachments: 1. Council Plan First Quarter report (refer *Attachment 5.3a* – TRIM 16/67245)
2. Policy Review – 2 December 2016 (refer *Attachment 5.3b* – TRIM 16/68415)

Purpose:

The purpose of this report is to provide the Chief Executive Officer's report to the Audit Advisory Committee.

Officer Recommendation:

That the report be received.

Background:

This report is the first Chief Executive Officer's report to be presented to the Audit Advisory Committee. The report will incorporate matters which have been previously reported to the Audit Advisory Committee on a separate basis (ie. the annual report from the Human Resources Coordinator on annual and long service leave balances). It will not incorporate the regular quarterly financial reports that will still be received by the Committee.

It is intended that this report will continue to be developed to meet the needs of the Committee.

Discussion:

1. Declaration of Legal Compliance by the CEO.

Discussions have been held with other Councils and examples obtained of legal compliance declarations made by Chief Executive Officers to other audit committees. A modified version of these declarations is currently being trialled and will be used in the next report to this Committee.

2. Important Developments within the Local Government Sector and at Council

2.1 Local Government General Election

The result of the Murrindindi general election was that five new Councillors were elected and two sitting Councillors were elected unopposed. The new Council was sworn in on 9 November 2016. All Councillors signed the Oath of Office and all Councillors signed the declaration to abide by the Councillor Code of Conduct.

In preparation for the induction of the new Council all Candidates received correspondence from the Chief Executive Officer on 20 September 2016 advising them of the Councillor Development Program (Key Dates) in November and December 2016.

All elected representatives were provided with a comprehensive Councillor Development Program Information Kit at the declaration of the poll on 2 November 2016. The Councillor Development Program commenced on 7 November 2016 and a comprehensive program is now being implemented through the remainder of 2016 and into 2017. The program includes seminars provided by key Local Government sector bodies (Municipal Association of Victoria and Victorian Local Government Association), presentations from regional bodies (Goulburn Valley Waste and Resource Recovery Group), presentations from Local Government advisors and Council staff.

Three new Councillors have been appointed to this Audit Advisory Committee.

All candidates must lodge a campaign donations return with the Chief Executive Officer of the Council within 40 days of the 2016 general election (by 1 December 2016), even if they were not elected, or did not receive any campaign donations or gifts.

As CEO of the Council, I am required to:

1. Inform the Local Government Minister, in writing by 15 December 2016, of all candidates in the local election and the names of candidates who submitted a return by the due date.
2. Ensure a summary of returns from all candidates is posted on the Council's website by 15 December 2016.

To assist candidates, as well as the information provided by the Local Government Inspectorate and the Victorian Electoral Commission, I wrote to the unsuccessful candidates on 16 November 2016 reminding them of their obligations to submit this return.

All candidates have lodged their campaign donations return.

2.2 *Election Caretaker Period*

Council adopted its revised Election Caretaker Period Policy on 23 March 2016. The Policy gives particular attention to:

- Prohibition of making major decisions
- Avoidance of making significant decisions and the conduct of public consultation
- Prohibition of the use of Council resources for any election campaign
- Avoidance of producing publications, removal of information from the website and adherence to Section 55D of the *Local Government Act* relating to certification of publications by the Chief Executive Officer

There was extensive promotion and education of staff in relation to the requirements of the Policy (especially in relation to the requirement for CEO certification of publications), continued advice to Councillors of their responsibilities and further information provided to committees of management in relation to this Policy.

There were no known breaches of the Election Caretaker Period Policy.

To aid Councillors, both retiring and returning, a comprehensive check list was forwarded to all Councillors on 7 October 2016 relating to the return of Council equipment and documents.

The procedure addressed:

- All phones to be returned by 21 October 2016
- All iPads (and any accessories provided eg. chargers) to be returned by 21 October 2016
- All email accounts had the passwords changed on 21 October 2016 and were not accessible after this date
- The Dropbox password was changed on 21 October 2016 and was not accessible after this date
- All building access (swipe) cards, business cards and name tags (and any other equipment/items provided to you to undertake your role as Councillor) were to be returned by 21 October 2016
- All documents in electronic or hard copy form to be returned to Council by 21 October 2016. Returning Councillors were to have any document(s) returned on request as part of the induction process

Further information on the legal responsibilities of Councillors at the end of their term was provided to them and included the following:

“As a Councillor, you have had access to confidential information as required to enable you to exercise your role as being part of the Council decision-making process. As a retiring Councillor, we ask you to respect the confidentiality of this information and that it was provided to you as part of the official business of Council. I also need to remind you that as a former Councillor, you are still subject to S77 of the *Local Government Act 1989* which prevents Councillors or former Councillors releasing information which is confidential.

The Councillor Code of Governance also states that information gained by virtue of being a Councillor will not be used for any other purpose than to exercise your role as a Councillor. This is relevant for all information, not limited to that which is confidential in nature.”

Whilst not a statutory requirement, Councillors were encouraged to return documentation and resources so as to minimise the risk of the misuse of resources or the disclosure of confidential information. All but three Councillors returned documentation for disposal – of the three, one advised that they had separately disposed of documentation and two declined to return documentation.

All electronic equipment was returned as per the above procedure.

2.3 *Local Government 2015-2016 Audit Snapshot*

The Victorian Auditor General presented his report on 24 November 2016 which provides a report on matters arising from the 2015-2016 financial and performance report audits of the 79 Councils, 11 regional library corporations and 14 associated entities that make up the Local Government sector.

The Auditor General made specific comment on the financial sustainability of small rural Councils and commented that “the 19 small Shire Councils have emerging financial sustainability risks”.

In particular the Auditor General noted that looking into the future, “the small Shire Council cohort is expecting to experience a decline in capital grant revenue over the next three financial years. From our review of the cohort Councils’ unaudited budgets, this loss of revenue – combined with a steady level of expenditure – will have the following impact:

- a decline in the net result of the cohort
- a reduction of funds available for investment in property, plant and equipment – with the number of Councils within this cohort forecast to spend less than depreciation on their assets over each of the three financial years”

Overall, the Auditor General commented that small Shire Councils are facing additional pressures due to smaller year on year revenue increases and steady increases in expenditure.

2.4 *Mandatory notifications of suspected corruption*

Changes to the *Independent Broad-based Anti-corruption Commission Act 2011*, which come into effect on 1 December 2016, provided that a relevant principal officer (in this case a Local Government Chief Executive Officer) must notify Independent Broad-based Anti-corruption Commission (IBAC) of any matter they suspect on reasonable grounds to involve corrupt conduct occurring or having occurred.

IBAC has issued direction for relevant principal officers in relation to the obligation to report suspected corrupt conduct and has also been conducting a number of information sessions to clarify the new mandatory notification requirements.

Most questions at these sessions have focused on the definition of “suspected corrupt conduct” as well as the interface between these notification requirements and other legislative requirements.

2.5 *Victorian Ombudsman - Own Investigation*

The Victorian Ombudsman has commenced an “own motion” investigation into the transparency of Local Government decision making. The investigation will consider whether Councils’ decision making is transparent, subject to their obligation to maintain confidentiality and to ensure efficiency in Council administration. Council has responded to a survey conducted by the Ombudsman’s office on the manner in which confidential agendas and minutes are developed.

The Local Government Performance Reporting Framework (LGPRF) includes an indicator of the percentage of Council decisions made at meetings closed to the public. In 2015-2016 the Murrindindi figure was 8.16% compared with 9.78% for small rural Councils and 11.57% for all Councils.

2.6 *Victorian Auditor General’s Inquiry*

Victorian Auditor-General’s Office (VAGO) is currently conducting a community participation and engagement audit and Council has been selected as the small rural Council to participate in this audit.

Investigations and interviews have been conducted and Council is awaiting the draft report. Council will be provided with the opportunity to provide a response to the draft finding and recommendations.

3. Council Quarterly Performance Report

Each quarter the Council receives a report on the organisation’s performance in relation to the implementation of the 2013 – 2017 Council Plan actions for that year as well as the performance indicators for each Goal. A full report was presented to the October 2016 Ordinary Council meeting on progress in the first quarter of the Council Plan year.

Attachment 5.3a provides a summary of the Council Plan Key Performance Indicators as reported to Council

4. Key Performance Indicators Including The Local Government Performance Reporting Framework

The 2015-2016 data from the Local Government Performance Reporting Framework (LGPRF) has been uploaded onto the Know Your Council website.

The data for this second year of the LGPRF has been refined, and in some instances the methodology has been corrected as Council improved its understanding of the costs to be included in various measures, especially the road infrastructure measurements for 2015-16. The data shows that Murrindindi generally sits within close range of the other small rural Councils.

Further information is provided in a separate report to this Committee.

5. Ongoing Risks

The Executive Risk Management Committee meets regularly and is currently reviewing the Strategic Risk Register. This is the subject of a separate report to this Committee.

6. Policy Review and Management

Council’s Policy development is based upon the hierarchy of:

- Council Policies – adopted and reviewed by Council
- Organisational Policies – adopted and reviewed by the Executive Management Team

- Departmental Policies – adopted and reviewed by the relevant General Manager.

A summary of the current Policy Register is contained within *Attachment 5.3b*. It is intended to report to this committee on both the review program and key policy development matters.

Conclusion:

The Chief Executive Officer's report will provide an important forum to advise the Committee on issues within Council as well as matters relevant to the local government sector.

RESOLUTION:

R Rogerson / I McKaskill

That the report be received.

CARRIED

6. AUDITS - INTERNAL

6.1 REVIEW AND RECOMMEND INTERNAL AUDIT PLAN AND RESOURCING

This report will be tabled at the meeting and presented by Crowe Horwath.

Internal Audit Plan will be completed and circulated during next week.

6.3 REVIEW INTERNAL AUDIT REPORTS AND MANAGEMENT RESPONSES

Attachments: Internal Audit - IT Security Audit - Final report V2 (refer *Attachment 6.3* – TRIM 16/68490)

This report will be tabled at the meeting and presented by Crowe Horwath.

Noted.

6.4 FOLLOW UP SIGNIFICANT ISSUES RAISED BY INTERNAL AUDIT

Attachments: Internal Audit - MSC Follow Up Report 2016 FINAL (refer *Attachment 6.4* – TRIM 16/69707)

This report was tabled at the meeting and presented by Crowe Horwath.

This report will be noted at the next meeting.

6.5 REVIEW IMPLEMENTATION OF PREVIOUS AUDIT ACTIONS

As per item 6.4

6.6 REVIEW SCOPES OF AUDITS BY CROWE HORWATH

Nil to report.

7. FINANCIAL REPORT

7.1 REVIEW SIGNIFICANT ACCOUNTING AND REPORTING ISSUES

Nil to report.

7.2 QUARTERLY FINANCIAL REPORT TO 30 SEPTEMBER 2016

Attachments: Quarter Report Attachments (refer *Attachment 7.2a* – TRIM 16/52457)
Quarter Review Operational Carry Forwards (refer *Attachment 7.2b* – TRIM 16/52844)

Purpose:

The report provides the quarterly financial report for the period ending 30 September 2016.

Officer Recommendation:

That the Audit Advisory Committee notes the Quarterly Financial Report to 30 September 2016.

Background:

Financial governance is important for a Council's good governance because the consequences of failure can be very significant for a Council.

Councillors, sitting as Council, have an overall accountability for the Council's finances. This comes in two ways. Firstly, the Council is required to prepare and periodically review its long term financial plan. This is called the Strategic Resource Plan and forms part of the Council Plan.

Secondly, a Council must prepare and adopt the annual budget. The Council must also receive regular financial reporting. As a minimum a Council must receive a quarterly financial report which compared actual and budget revenues and expenses.

The format of the budget is prepared generally in accordance with both the financial regulations affecting Local Government and the best practice guide for reporting Local Government budgets.

At the end of the financial year, the draft Annual Financial Report, comprising the Financial Statements and Performance Statement, are considered by the Audit Advisory Committee and presented to Council prior to them being submitted to the Auditor General.

It is important that the Annual Budget is framed within the Strategic Resource Plan and contributes to achieving the strategic objectives specified in the Council Plan.

To enable the progress of each to be monitored throughout the year, Council receives quarterly reports on the Annual Budget, the Council Plan activities, and the Capital Works Program.

Council Plan/Strategies:

This report, in relation to the Annual Budget and quarterly financial reporting, is consistent with the Council Plan 2013-17 Our Council theme which has a strategic objective of delivering visible leadership and advocacy for the community backed by a financially strong organisation. A key strategy objective is to administer sound financial management practices.

Legal/Policy Issues:

The *Local Government Act 1989* (the *Act*) requires, under section 126, that a Council must prepare a Strategic Resource Plan for a period of four years.

The *Act* also sets out in section 127 that the Council must prepare a budget for each financial year.

Then, in section 138, the *Act* requires that quarterly financial reports must be presented to Council.

Financial/Resources/Risk:

The financial governance of a Council is an important role for Councillors. The risk of poor financial management can have a significant impact upon the governance of the Council. The financial implications flowing from this quarterly financial review are outlined in this report.

Discussion:

Annual Council Budget

The Council Budget essentially comprises of four components. Firstly, it provides a description of the activities and initiatives to be funded in the Annual Budget and how these will contribute to achieving the strategic objectives that are specified in the Council Plan.

Secondly, it describes the various influences which have impacted upon the preparation of the Annual Budget. These have included such things as Federal and State funding programs, such as Road to Recovery Allocations or costs such as the EPA levies.

Thirdly, it includes an analysis of the budget including the sources of revenue such as rates, user fees and grants as well as key expenditure categories.

Finally, it includes an analysis of the cash flow and capital works statements along with the four Budgeted Standard Statements of:

- Budgeted Comprehensive Income Statement
- Budgeted Balance Sheet (incorporating Changes in Equity)
- Budgeted Statement of Cash Flow
- Budgeted Statement of Capital Works

These four Standard Statements are replicated in the quarterly financial report that is presented to Council (refer *Attachment 7.2a* - Statements A – D).

It is important to note that these Standard Statements are based upon public sector financial reporting, the key principle of which is that Council is required to account for the revenue in the year that it is received rather than when it is expended. As capital works projects and grant funded programs often extend over one financial year, then another principle of public sector reporting is that carry forward adjustments need to be made.

Carry Forward Adjustments to 30 September 2016

The table below is a reconciliation between Council's Adopted Budget 2016-17 and the adjustments for carry forwards relating to unexpended projects from 2015-16:

Table 1:

Reconciliation of Budget Adjustments - September 2016 Quarterly Review		
	Operating Result	Capital Works
	Surplus / (Deficit)	Budget
Adopted Budget 2016/2017	946	(7,153,893)
Carry forward Capital Works Projects - Council Report 24 Aug 2016		(4,383,137)
Carry forward adjustments - Operational	(1,285,859)	-
September Revised Budget 2016/2017	(1,284,913)	(11,537,030)
Summary Operational Carry-forwards		
Non Recurrent Grants - Capital & Operating	356,527	
Grants - Recurrent - R2R	(156,015)	
Employee Benefits	(13,360)	
Materials & Service and Other Exp.	(1,348,917)	
Carrying Amount of Assets Sold	(124,094)	
	(1,285,859)	

The original 2016-17 budget operating surplus has been impacted by carry forward adjustments as summarised above. The resultant deficit should be considered in light of the 2015-16 period which forecasted a budgeted operating deficit of (\$2,951,000), while the actual operating result for 2015-16 was a surplus of \$657,000.

The turnaround of the current year's adopted surplus of \$1,000 to a deficit of (\$1,285,000) should be understood with regard to the result of the previous year, with several grant funded projects not completed at year end, improving the overall 30 June 2016 operating result and increasing the levels of cash held by Council.

Balance sheet variances from the forecast position 30 June 2016 to actual results as recorded in Council's Annual Report for the year ended 30 June 2016 shows an increase in cash held of \$5.44 million plus an increase in Trade & Other Receivables of \$0.35 million.

With reference to the Cash Flow Statement, this figure is supported by the variance in the forecast cashflows from operating activities of \$3.38 million, cashflows from investing activities (Property Plant & Equipment) of \$2.21 million, and cashflows from investing activities (\$0.15 million) providing the \$5.54 million increased cash held at year end. This additional cash balance funds the above operational & capital carry forwards without impacting the net overall position of Council's adopted 2016-17 Budget.

As part of Council Quarterly Reviews an alternative view of the Income Statement, Statement A, has been provided showing Council's "underlying result," which is the net surplus or deficit adjusted for capital grants, contribution to capital projects, and other once off adjustments. This is a measure of financial sustainability of a Council as it is not impacted by non-recurring items of income or expenditure which can often mask the operating result.

Quarterly Financial Report to 30 September 2016

These four Statements for the first quarter to 30 September 2016 are included in *Attachment 7.2a*. These statements provide the first opportunity to detail the impacts of the final carried forward items from both a capital and operating perspective from the previous year.

Table 2 below is a reconciliation between Table 1, incorporating carry forward of unexpended projects from 2015-16, and the Revised Budget 2016-17 as detailed within the attached

statements, which also includes all newly approved grant funded projects and all other known variances since budget adoption.

Table 2:

	Operating Result	Capital Works
	Surplus / (Deficit)	Budget
September Revised Budget 2016/2017 - with C/fwds	(1,284,913)	(11,537,030)
VGC Grants Commission - adjustment final allocation	6,761	
Yea Saleyards Upgrade - Stage 2 <i>balance from Reserve</i>	363,000	(726,000)
Planning Certificates - no longer issued by Council	(5,381)	
Marysville Tourism & Arts Centre - Design Project	85,000	(85,000)
Public Transport Victoria - Bus Shelter - Tarnpirr Rd Narbethong	8,610	(8,610)
Marysville Caravan Park - increase lease rental \$60K to \$75K.	15,000	
Yea Caravan Park - reduced lease rental budget \$60K to \$25K.	(45,000)	
Asset Management System Implementation (from Infra Reserve)	(95,000)	
Leckie Park Pavilion Expansion GR826	18,125	(18,125)
Finance Cost - Interest savings - loan not drawn 2014-15 or 2015/16 <i>in addition - reduced budgeted principal payments \$57,515</i>	42,764	
September Revised Budget 2016/2017	(891,034)	(12,374,765)
from adjustments		
Variance reduced deficit / add Capex	393,879	(837,735)

The original budget operating deficit has been impacted by carry forward adjustments as detailed above projecting a (\$1.28 million) operating deficit for 2016-17. With additional grant funding and inclusion of other known budget variances this has now been reduced to a revised operating deficit of (\$891,000).

Victorian Grants Commission final funding allocation has seen an overall increase of \$6,761 in funding for 2016-17.

Non Recurrent Grant Revenue has increased with additional funding of \$363,000 for the Yea Saleyards Upgrade Stage 2 which has increased Council Capital Works program by \$726,000, with the balance of \$363,000 (being the matching funding) to come from Reserve.

Budgeted planning certificate fees of (\$5,381) have been removed as Council is no longer undertaking this function which is now provided by the Minister for Planning (Landata).

The Marysville Tourism & Arts Centre Project grant funding of \$85,000 has been added to Council Capital works program, as has the Bus Shelter Tarnpirr Road Narbethong with funding of \$8,610 to be provided by Public Transport Victoria.

Adjustments have been made to lease rental budgets for Marysville Caravan Park increase \$15,000 and Yea Tourist Park decrease of (\$45,000) to reflect current lease arrangements. With respect to the decrease in rental from the Yea Tourist Park, this reflects Council's decision to initially reduce annual rental in recognition of a significant increase in capital expenditure upgrades at the Park funded by the new operator.

The implementation of Council's new Asset Management System has been allocated \$95,000 from the Infrastructure Maintenance Reserve – as per the Council resolution of 27 July 2016.

Additional grant funding of \$18,125 has been provided to Leckie Park which has increased the total project budget for this project.

Finance Costs – interest on loans has a saving of \$42,764 as a result of not drawing down the \$500,000 loan in 2015-16. In addition as part of the annual repayments for this loan there has been a reduction of \$57,515 in principal repayments in 2016-17.

Several other minor grants have been added to both the operating income and expenditure including Murrindindi Shire Council Recreation & Open Space Strategies \$30,000, Tech Savvy Seniors – Library Grant \$3,000, Art Youth & RSL Project \$24,500, Children's Services Collective Impact Strategy \$10,000 and Youth Resilience Activities \$10,000.

Balance Sheet (Statement B)

The Balance Sheet – Statement B as at 30 September 2016 shows minimal year to date variance with Cash and Cash Equivalents favourable variance of \$512,000 directly related to the year to date operating surplus variance as presented within the Income Statement.

Trade and Other receivables year to date variance of \$595,000 relates mainly to timing of rate debtor payments due 30 September 2016 – received by Council after the end of month figures were extracted for reporting. This is offset by a \$435,000 variance relating to non-current assets, which is marginally behind year to date expectations. This primarily relates to delays in the procurement of property, plant & equipment which is referenced in the attached Statement of Capital Works.

The overall revised budget position shows a projected reduced level of cash as at 30 June 2017 of \$22.46 million which is \$0.77 million below the original budget for 2016-17 of \$23.23 million. The bulk of this relates to the unbudgeted purchase of land near the Yea Saleyards in late 2015-16 of \$0.80 million which was not incorporated in the development of Council's original budget for 2016-17.

Cash Flow Statement (Statement C)

This statement provides a more holistic picture and reports the important information on Council's cash inflows and outflows. Net cash flow from operating activities in the Cash Flow Statement (a cash view of the operating statement) shows a decrease of (\$1.08 million). The bulk of this adjustment is in grants and payments to suppliers relating to carry forwards and new grant funded projects. Net cash used in investing activities (Capital Works) shows an overall increase of (\$4.78 million) and net cash used in financing activities (mainly Trust & Deposits) has increased by (\$0.36 million).

The overall result with the inclusion of the additional cash of \$5.44 million held at 30 June 2016 is reflected in the Balance Sheet with the Revised Budget for 2016-17 projecting a decrease in cash of (\$0.77 million).

Non Discretionary Cash & Council Reserves (Statement E)

Included as part of this report is an additional reconciliation flowing from the Cash Flow Statement of Council's Non Discretionary Cash Flow requirements. This reconciliation lists all Council reserves together with funds held as deposits or trust which are required to be refunded, and an allowance for the provision of employee entitlements. This latter provision being a nominal amount of 25% of Council's Annual Leave Liability and 25% of the current Long Service Leave Liability by 30 June 2017. This is then offset against the level of projected cash at year end.

Operating – Year to Date Review

Overall the income statement reflects minimal variances in both operating revenue and operating expenditure, with several projects behind anticipated expenditure budgets.

The Year to Date Summary of the Income Statement for the period ending 30 September 2016 is provided in Table 3 as follows:

Table 3 – Summary of Income Statement

	YTD	YTD	
	Budget	Actual	Variance
	\$k	\$k	\$k
Revenue	21,850	21,792	(58)
Expenses	5,900	5,201	699
Surplus	15,950	16,592	642

The Year To Date (YTD) operating result at 30 September 2016 shows income down by (\$57,000) and expenditure under budget by \$699,000 generating a larger than expected YTD surplus of \$642,000 or 4% better than the budgeted surplus.

The key components comprising both revenue and expenses variances are summarised by category in Tables 4 and 5 as follows:

Table 4 – Key Revenue Component Variance

Variance		
\$k		
(58)	Unfavourable to budget	
Key Components	Type	Particulars
11	Rates & Charges	Favourable year to date variance on Recycling Charges with Taylor Bay increased to full recycling charges for 2016-17.
(144)	User Fees	Unfavourable variance on Aged & Disability (\$38,000) service level demand, Waste landfill fees (\$40,000) to be processed after end of month and Yea Saleyards fees (\$45,000) with sales deferred until October/November.
61	Grants - Recurrent	Assessment & Case Management funding favourable \$33,000 and Family Day Care \$28,000 due to increased demand.

Table 5 – Key Expense component variance

Variance		
\$k		
699	Favourable to Budget	
Key Components:	Type	Particulars
353	Employee Benefits	Year to date saving across organisation due to vacant positions, some long service leave or in the Community Services area driven by service level demand. Favourable variance relate to: <ul style="list-style-type: none"> • Aged & Disability \$66,000 • Administration \$18,000 • Planning Services \$23,000 • Infrastructure Operations \$156,000 • Waste Management \$14,000

		<ul style="list-style-type: none"> Youth Service \$13,000 Numerous minor variance spread across programs
410	Materials & Services	<p>Favourable variance mainly relate to:</p> <ul style="list-style-type: none"> Business Services (including insurance) \$51,000 Infrastructure Maintenance \$120,000 Infrastructure Operations \$245,000 Numerous minor variance spread across programs <p>These favourable variances are spread across contractors \$239,000, utilities \$36,000, insurance \$22,000, contributions \$26,000 and materials \$82,000.</p> <p>It should be noted these are year to date variances to budget and not forecast savings as most budgets are predicted to come on line by year end.</p>

Capital - Year to Date Review

As at 30 September 2016, Capital Works is \$356,000 below the year to date budget of \$1,943,000. Statement D, as attached, indicates that across the asset categories, the largest variances are (\$21,000) in buildings, (\$17,000) footpaths and \$401,000 in bridges.

Table 6 – Summary of Capital Works Completed (Financial)

Asset Category	YTD Budget	Actuals	Variance	Complete to
	30/09/16	30/09/16	YTD	YTD Budget
	\$'000	\$'000	\$'000	%
Land	-	-	-	0%
Buildings	803	823	(21)	-3%
Plant & Machinery	-	-	-	0%
Roads & Paths	224	237	(13)	-6%
Bridges	769	368	401	52%
Footpaths and Cycleways	105	122	(17)	-16%
Drainage	3	-	3	100%
Heritage Assets	-	-	-	0%
Furniture & Equipment	31	29	3	8%
Library Bookstock	9	8	1	7%
Works in Progress	-	-	-	0%
Total Capital Works	1,943	1,587	356	18%

Table 7 – Key Capital Component Variance

Variance		
\$k		
356	Favourable to Budget	
Key Components:	Type	Particulars
(20)	Buildings	Expenditure on buildings is running slightly ahead of expectations with the major item being Yea Swimming Pool Upgrade (\$20,000).
401	Bridges	Variance relates to bridge component renewal with budget carry forward works delayed due to the wet weather and high stream flows.
(17)	Footpaths & Cycleways	Variance relates to footpath renewal ahead of schedule.

With minimal Year to Date variance, the Capital Works Program overall is running well as at 30 September 2016. The overall budget has been increased from \$7.15 million to \$12.37 million with \$4.38 million carry forwards from unexpended capital work projects forecast to be completed by 30 June 2016 (reported to Council 24 August 2016) and the inclusion of several new grant funded capital works projects – listed below:

- Yea Saleyards Upgrade – Stage 2 \$726,000 (part funded from reserve)
- Marysville Tourism & Arts Centre \$ 85,000
- Bus Shelter Tarnpirr Rd Narbethong \$ 8,610
- Leckie Park Pavilion Expansion \$ 18,125

Further details by category can be found in Statement D.

Consultation:

The *Act* requires that Councils give public notice of their annual review of the Council Plan (which includes the Strategic Resource Plan) and also its Annual Budget. All submissions received by Council must be considered, in accordance with section 223 of the *Act*.

Conclusion:

Awareness by Councillors of general budgeting and reporting requirements will facilitate the preparation of the Annual Budget and Strategic Resource Plan. Operating performance for the September 2016 quarter has been largely in line with the total budget. Council remains in a favourable cash position despite the challenges that it faces.

RESOLUTION:

I McKaskill / Cr L Dunscombe

That the Audit Advisory Committee notes the Quarterly Financial Report to 30 September 2016.

CARRIED

Cr C Bisset left the room at 4.37 pm prior to item 8.1 being considered.

Cr C Bisset returned to the room at 4.39 pm

8. MANAGEMENT REPORTING**8.1 LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK**

Andrew Bond provided a presentation to the Committee on the "Know Your Council" website (www.knowyourcouncil.vic.gov.au) detailing the Council's results for the 2015-16 period of the Local Government Performance Reporting Framework.

Noted.

9. GENERAL BUSINESS AND FUTURE PLANNING**9.1 ESTABLISH/SCHEDULE MEETINGS FOR FORTHCOMING YEAR**

REF: 16/68181

Currently the Audit Advisory Committee meetings are held four times a year on a Thursday afternoon in the Alexandra Council Chambers. The following meeting dates are proposed for 2017:

Meeting Date	Venue	Time
Thursday 16 March 2017	Alexandra Council Chamber	3 pm
Thursday 18 May 2017 (Budget)	Alexandra Council Chamber	1 pm
Thursday 14 September 2017 *	Alexandra Council Chamber	3 pm
Thursday 14 December 2017	Alexandra Council Chamber	3 pm

* to consider 2016-2017 Financial Statements

Approved by the Committee.

9.2 ANNUAL ASSESSMENT OF COMMITTEE'S PERFORMANCE

REF: 16/68194

Attachment: Audit Committee Self Assessment Form – 2016 (refer *Attachment 9.2 TRIM 16/68203*)

As detailed at Section 2(r) of the Audit Advisory Committee Charter, the committee shall "be subject to a periodic review, including a review by the Council and the completion of a self-assessment program".

This self-assessment has traditionally been taken by Audit Committee members on an annual basis, for presentation and review at the first meeting in the new calendar year.

Committee members are requested to return the annual assessment to Council by 18 January 2017.

Retired members to have an option of completing the assessment.

9.3 REVIEW/ASSESS ADEQUACY OF AUDIT ADVISORY COMMITTEE CHARTER

Attachments: Audit Committee Charter Endorsed 2015-02-25 (refer *Attachment 9.3* – TRIM 13/3275)

The Audit Advisory Committee Charter was last reviewed and amended at the December 2015 Committee Meeting and endorsed by Council at its Ordinary Meeting of February 2016.

Committee Chair, Michele Sheward, will lead the discussion regarding any requirement to further amend the Audit Advisory Committee Charter.

RESOLUTION:

I McKaskill / Cr S McAulay

1. That it be recommended to Council that the Charter be amended to reflect that a quorum will be a simple majority of the voting members of the Committee, including at least two (2) independent members; and
2. That the Charter be reviewed in accordance with the new best practise guidelines issued by Victorian Auditor-General's Office (VAGO) prior to the March 2017 meeting.

CARRIED

9.4 REVIEW AUDIT ADVISORY COMMITTEE ANNUAL PLAN

REF: 16/68247

Attachment: 2017 Audit Advisory Committee Annual Plan (*refer Attachment 9.4* – TRIM 16/68243)

The Audit Advisory Committee Annual Plan for 2017 has been amended per the Audit Advisory Committee meeting on Friday 16 September 2016 and is attached for reference and for discussion.

The dates listed in Attachment 9.4 are subject to confirmation of the Committee per agenda item 9.1 "*Establish/Schedule Meetings For Forthcoming Year*".

The date for the December 2017 meeting to be changed to reflect 14 December 2017.

9.5 CONFIRM TERMS AND APPOINTMENT OF COMMITTEE MEMBERS (ADVICE)

As per Section 2(c) of the Audit Advisory Committee Charter, "*appointments of external independent persons shall be made by Council by way of public advertisement and be for a term of two years with an option of a one year extension*".

As detailed in the table below, in order to comply with the Charter, the position of Ms Michele Sheward will be required to be advertised following the December 2016 Audit Advisory Committee meeting, to ensure that the position is filled prior to the proposed March 2016 Audit Advisory Committee meeting.

Committee Member	Term Ending:	Term Used To Date:
Michele Sheward	December 2016	3 Years
Ian McKaskill	April 2018	7 months
Richard Rogerson	April 2018	7 months

Noted that the position of Ms Michele Sheward will be advertised prior to the March 2017 Committee meeting in order to comply with the Charter.

9.6 RECENT REPORTS AND PUBLICATIONS OF INTEREST TO LOCAL COUNCILS

Attachments: Internal Audit - Sept 2016 Qtr_Recent Reports and Publications of Interest (Local Councils and PSA's) (refer *Attachment 9.6* – TRIM 16/68489)

This report will be tabled at the meeting and presented by Crowe Horwath.

Noted.

John Gavens left the meeting at 5.15 pm prior to item 6.2 being considered.

6.2 REVIEW INTERNAL AUDIT FUNCTION PERFORMANCE

Committee Chair, Michele Sheward, will lead a discussion to review the performance of the internal audit function.

Performance has been reviewed and feedback to be provided to Crowe Horwath.

10. OTHER REPORTS

Nil to report.

11. NEXT MEETING

Thursday 16 March 2017 at 3.00pm in the Alexandra Council Chamber.

There being no further items of Business, the Chairperson declared the meeting closed at 5.28 pm.

CONFIRMED THIS _____

CHAIRPERSON _____



Murrindindi
Shire Council

**Murrindindi Shire Council and
Lake Mountain Alpine Resort
Municipal Emergency
Management Planning Committee
(MEMPC)
Terms of Reference 2016-2019**

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1. Purpose

The purpose of the Murrindindi Shire Council and Lake Mountain Alpine Resort Municipal Emergency Management Planning Committee (MEMPC) is to provide information and advice to assist with planning for potential emergencies in the municipality of Murrindindi Shire. The MEMPC aims to work together to enhance emergency management capability and capacity within the geographic area of Murrindindi Shire. Through the adoption of robust emergency planning, including mitigation, response, recovery and relief arrangements, the MEMPC aims to increase community resilience and recovery from emergencies.

2. Role of the Committee

The role of the MEMPC is to:

- Provide information and expertise relating to the occurrence and mitigation of potential emergencies in the municipality.
- Contribute to the Identification of hazards and threats in the municipality.
- Develop and maintain the Murrindindi Shire Council and Lake Mountain Alpine Resort Municipal Emergency Management Plan (MEMPC) for endorsement by the MEMPC and adoption by Council.
- Participate in functional sub-committees and working groups to plan for specific emergencies, address issues, and develop and implement projects.
- Support Murrindindi Shire Council in the development of plans to address emergencies based on existing, and new and emerging hazards.
- Contribute to testing the MEMPC through participation in emergency exercises.

3. Membership

Membership of the MEMPC will comprise:

- Council Representatives
 - Chairperson (Responsible Portfolio Councillor)
 - Municipal Emergency Resource Officer (MERO) and deputies
 - Municipal Recovery Manager (MRM) and deputies
 - Municipal Emergency Management Planning Committee (MEMPC) Executive Officer
 - Municipal Fire Prevention Officer (MFPO) and deputies
- Lake Mountain Alpine Resort Management Board
- Emergency Agencies
 - Ambulance Victoria
 - Country Fire Authority (CFA)
 - Victoria Police (Municipal Emergency Response Coordinator (MERC))
 - Victoria State Emergency Service (VICSES) North Eastern Division
 - Department of Environment Land Water and Planning (DELWP)
- Recovery Agencies
 - Department of Health and Human Services (DHHS)
 - Red Cross
 - Victorian Council of Churches (VCC)
- Local Medical Representatives
 - Alexandra Hospital

- Yea Hospital
- Utility Representatives
 - Ausnet Services
 - AGL Hydro
 - Goulburn Valley Water
- Community representatives see 3.1 below)
- Other Agencies
 - UGFM
 - WICEN

Others (non-voting) as required including (but not limited to):

- Centrelink
- AGL (Southern Hydro)
- VicRoads
- Department of Economic Development, Jobs, Transport and Resources (DEDJTR)
- DEDJTR animal welfare
- Murrindindi Shire Council Environmental Health Officer (EHO)
- Department of Education and Training (DET)
- Salvation Army
- Goulburn Murray Water

3.1. *Community Representatives*

Four (4) community representatives will be invited to sit on the MEMPC. Representatives will be chosen from the following sectors:

- Community Service Clubs/Groups
- Industry/Production
- Business/Retail
- Agriculture/Aquaculture/Viticulture
- Education/School Camps

There may be more than one representative from a given area and representation from each sector is not required (5 sectors and 4 positions).

3.1.1 Expressions of Interest

Council will call for written expressions of interest from members of the community to fill the four community representative positions. The call for Expression of Interest will be advertised in local media.

Expressions of Interest will be assessed against the following selection criteria:

- Demonstrated experience in community engagement/involvement
- Knowledge of broader emergency management issues in the municipality
- The ability to access networks and stakeholder groups within the community
- Experience facilitating/leading community-based committees

A selection panel consisting of the Municipal Recovery Manager (MRM), the Municipal Emergency Resources Officer (MERO) and MEMPC representative (from a member

agency) will undertake the assessment of submissions, interview applicants (at its discretion) and make recommendations to MEMPC and the Council for final endorsement.

Whilst selection will be based on merit, the panel will attempt to ensure geographical representation from across the Shire.

3.1.1 Term

Community representatives will have a term of 2 years on the MEMPC. After this time the MEMPC can vote to keep the community representatives for another term. Only two consecutive terms (total 4 years) for community representatives are permitted.

3.2. *Sub-Committees and Working Groups*

The MEMPC will determine the need to establish subcommittees/working groups in order to investigate and report on specific issues that will assist the MEMPC in meeting its obligations under the *Emergency Management Act 1986*.

The MEMPC will determine the Terms of Reference and reporting timeframes for the sub-committees and/or working groups. The MEMPC can delegate this task to the sub-committee or working group but will endorse or accept them at a quarterly meeting.

The membership of any sub-committee and/or working group will consist of agencies and organisations represented on the MEMPC, and other representatives deemed necessary.

The established sub-committees will report to the MEMPC for any actions to be undertaken and recommendations that will be required to go to Council.

Minutes will be taken at all sub-committee / working group meetings and will be distributed in accordance with the MEMPC minutes and agendas.

Sub-committees / working groups will have a life as specified in their respective terms of reference.

4. Structure

4.1. *Chair and Deputy Chair*

The Chairperson is responsible for making sure that each meeting is conducted according to the Terms of Reference and that matters are dealt with in an orderly, efficient manner. The Chairperson carries the authority to keep order and maintain progress in line with the agenda. The Chairperson must make the most of all his/her committee members and 'lead the team'. This also involves regularly reviewing the Committee's performance and identifying and managing the process for renewal of the Committee through recruitment of new members.

The MEMPC:

- The Councillor assigned the emergency management portfolio will be the chair of the MEMPC The Council reviews the allocation of portfolios on an annual basis;
- The MERO will act as the Deputy Chair in the event of a casual absence.

4.2. Representation

The agencies/organisations listed above will provide representation at the appropriate level to enable decisions and commitment to be made on behalf of their agencies/organisations. The following also applies to membership of the MEMPC:

- The Committee may appoint new members as required.
- Other non voting members may be co-opted by the Committee, especially for Working Groups.
- Agencies are expected to provide representatives that are authorised and empowered to deliver outcomes.
- The Committee will provide direction and support to Agencies/Organisations within the MEMPC.

4.3. Quorum

The following conditions apply to the MEMPC:

- A quorum is defined as 50% of the 16 member agencies, being 8 agencies represented or up to 10 including community representatives once appointed..
- Unless a quorum is present, voting cannot take place.
- Each agency shall have only one vote per agency (independent of the amount of representatives that agency provides)

5. Governance

Section 4 of the *Emergency Management Act 1986 (EMA Act)* requires each municipal council to:

- Appoint a MEMPC to prepare a MEMP, in accordance with the requirements of the *Emergency Management Manual of Victoria (part 6)*, for the consideration of Murrindindi Shire Council
- Prepare and maintain a MEMP which must be audited by the Director, Victoria State Emergency Service every three years

According to section 5 of the *EMA Act*:

- A MEMPC must give effect to any direction or guidelines issued by the Minister.

5.1. Emergency Planning Arrangements Victoria

Figure 1 (below) summarises the Emergency Planning arrangements in Victoria. There are 2 regional committees that the Murrindindi MEMPC can either receive direction from or present issues to: the Hume Region Emergency Management Planning Committee and the Hume Region Strategic Fire Management Planning Committee. The MEMPC can also receive direction from the relevant State committee and the Minister for Police and Emergency Services.

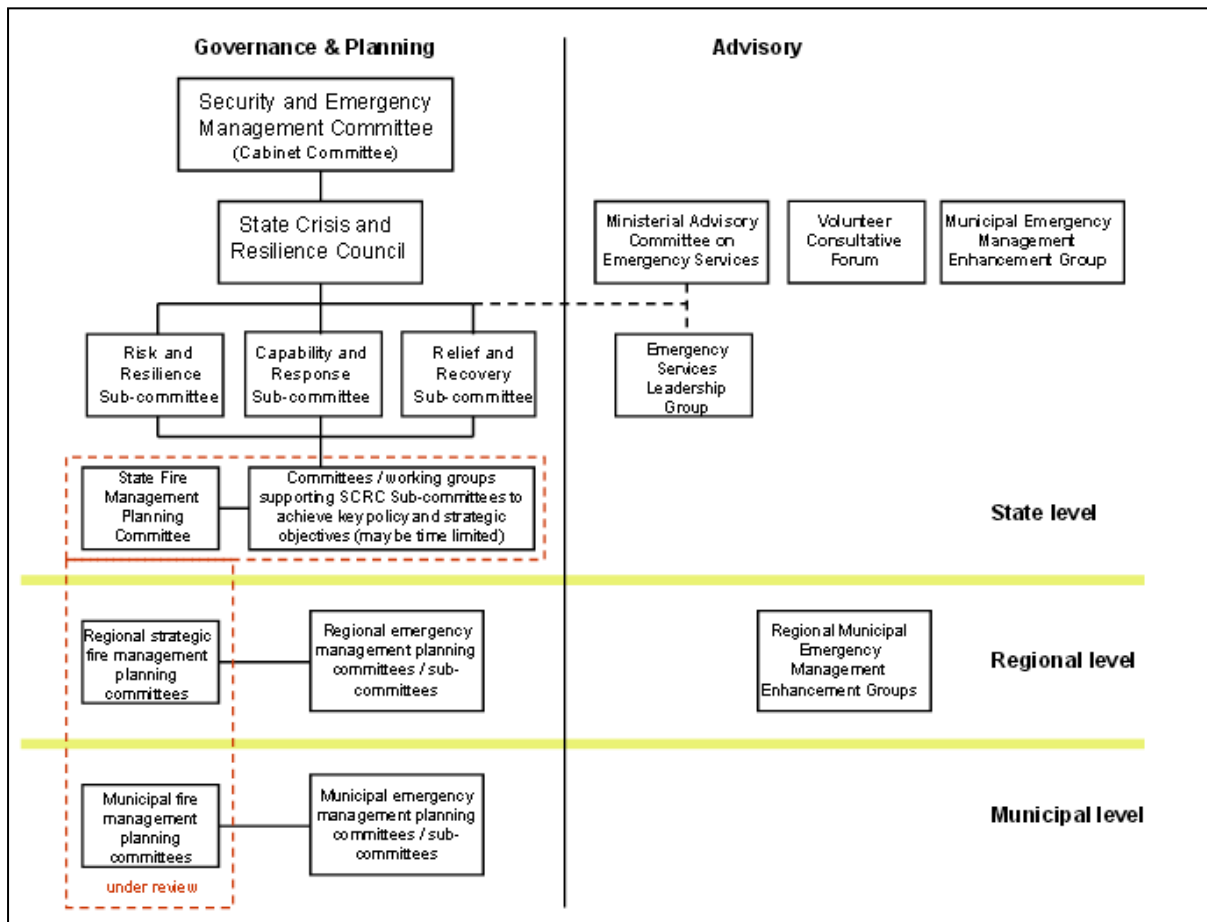


Figure 1: Emergency Planning Arrangements, Victoria (EMMV Part 6 pg 6-2)

5.2. Conflicts of Interest

At the beginning of each meeting, the Chair (or acting chair) will ask all members to declare any potential or perceived conflicts of interest. If MEMPC members realise that a conflict of interest may or has occurred during a meeting, they are to inform the chair as soon as practicable. Any conflicts will be recorded in the minutes. At the determination of the Chair, the member with the conflict of interest may be asked to leave the room or have their right to vote removed for a given item.

5.3. Conflict Resolution

If a disagreement occurs at the MEMPC between agencies that cannot be resolved at a municipal level, the MEMPC can raise the issue with the relevant regional committee (see figure 1 above).

If the issues cannot be resolved at a regional level, the issue may then pass on to the relevant State committee and Minister.

5.4. Regional Advice and Support

The Hume Region has established a Municipal Emergency Management Enhancement Group (MEMEG) which has membership from all Hume Region councils.

Issues with Emergency Management in general and support from other councils and Agencies can be sought at the Hume Region MEMEG. This support may negate the

need to raise issues with either the Regional Emergency Committees or the State Emergency Committee.

6. Schedule of meetings

Meetings will occur:

- As determined by the Committee, with at least four meetings to occur every calendar year (February, May-June, August-September and October-November);
- As required for special projects and initiatives;
- After a major emergency or incident that required the use of the MEMP;
- After amendments have been made to the MEMP; and
- Upon identification of a new risk/hazard.

7. Reporting

The following reporting requirements exist for the MEMPC:

- Meeting Minutes are to be provided to MEMPC and the Regional Emergency Response Coordinator (RERC) and Regional Recovery Committee via email.
- The MEMPC sub-committees and working groups will report to the MEMPC.
- The MFMP will provide minutes of meetings to the MEMPC.
- In the event that a MEMPC Working Group has been established to address a specific issue, they will report to the MEMPC.
- The MEMPC is not required to give public notice of their meetings, and meetings are not required to be open to the public.

8. Administrative Support

Administrative and executive support to the MEMPC will be provided by Murrindindi Shire Council.

9. Review of Terms of Reference

This Terms of Reference is valid for 3 years and will be reviewed by the MEMPC at the end of its duration.

Approved at Murrindindi Shire Council and Lake Mountain Alpine Resort MEMPC meeting on

Signed Chair MEMPC.....Date.....

Municipal Emergency Management Planning Committee Meeting

Minutes

Murrindindi Shire Council – Meeting Room
28 Perkins Street Alexandra
Thursday 17th November 2016, 3.00pm

Attachments: MEMPC Exercise Report 17 November (Trim 16/67712)

1. Welcome & Introductions

Mark Leitinger, as acting chair, welcomed everyone and opened the meeting at 3:05pm. Due to recent Council elections, a Councillor representative has not yet been nominated as a member of the MEMPC. Once a representative has been declared, they will become the chair of the MEMPC (as per the terms of reference).

2. Present & Apologies:

Present – Name/Position	Agency
Alan Russell	Victorian Council of Churches
Andy Daly – Municipal Fire Prevention Officer	Murrindindi Shire Council
Ben Giovanetti	DELWP
Chris Price – MEMPC Executive Officer	Murrindindi Shire Council
David Hall	Community Representative
John Canny – Deputy MERO	Murrindindi Shire Council
John Newlands	Vic SES
Mark Hesse – MERC	Victoria Police
Mark Leitinger – MERO, Acting Chair	Murrindindi Shire Council
Len Timmons – Alexandra Group	Country Fire Authority
Naomi McNamara - MRM	Murrindindi Shire Council
Peter Bell – Operations Officer, District 12	Country Fire Authority
Peter Weeks	SES & UGFM
Sara Murray	Community Representative
Apologies – Name/Position	Agency
Andrew Paul - LMAR	Lake Mountain Alpine Resort
Craig Velt	Ausnet Services
Jeff Bucket	AGL
Jo Hunter	Marysville Vic SES
Jo Wilson-Hawe	Red Cross
Karin Morgan	DEDJTR
Lorina Gray	Yea Hospital
Maurice Woodburn	Ambulance Victoria
Michelle Dunscombe	Community Representative
Rebecca Clark	Alexandra Hospital
Sally McCarron	DHHS
Tony Nolan	Goulburn Valley Water
Visitors	
None	

3. Confirmation of previous minutes

The Minutes of the previous meeting of the Municipal Emergency Management Planning Committee held on Thursday 19th May were confirmed.

Moved: Ben Giovanetti

Seconded: Alan Russell

Minutes approved.

4. Update of MEMPC Membership – Contact List

Please forward any additional changes via email to mempc@murrindindi.vic.gov.au

Len Timmons, Alexandra Group Officer for CFA, is to be added to the invite list. Similarly, the new community representatives, Sara Murray, David Hall and Michelle Dunscombe are also to be added.

5. Business arising from previous minutes

Business arising from previous minutes was discussed including the motions and identified actions from the previous meeting.

CERA review update

John Newlands was going to give an update to the CERA process at the last meeting but was on leave. The CERA process in the MEMPC has been updated and the two new risks identified (risk to mass gatherings and risk of airline disaster) have both been added into the MEMPC.

Donated Goods

David Hall discussed the MOU with Rotary for the coordination of donated goods. David had a suggestion from his time spent in the relief and recovery effort in Dunalley, Tasmania after the recent fires there. In Dunalley, all of the donated goods were sold in a large 'Garage Sale' and the funds were used to purchase vouchers etc. for impacted persons and families. Mr Hall stated that the approach was extremely successful and well received by the community.

6. Fire Prevention Program

Although not on the agenda, it was decided by the Chair to include a summary of the status of Murrindindi Shire Council's fire prevention and roadside slashing program by Mr Andy Daly, Municipal Fire Prevention Officer. Mr Daly stated that due to recent rains, the lack of hot weather and low curing rates that the roadside slashing program was starting slightly later this year in comparison with other years. Mr Daly stated that the program would begin in the north of the Shire around Alexandra and Eildon on the 21st November.

It would then move further south towards the ranges and follow the natural grass curing rates across the municipality.

Mr Daly suggested the program should be completed at the end of January/early February 2017 and that some areas would most likely require a second or even third cut due to favourable grass growing conditions.

Mr Daly also mentioned that the inspection of private blocks for fire prevention would begin in the next few weeks. He stated that they would inspect around 4,000 blocks (two inspections of 2,000) as part of the fire prevention program and that they were expecting a normal season of around 400-500 notices.

Mr Daly also mentioned that the land-use agreements beside Flowerdale and Thornton NSPs had been renegotiated and that slashing around NSPs would begin in the next few weeks.

7. Community MEMPC Representatives

The Community MEMPC members Sara Murray, David Hall and Michelle Dunscombe were formerly welcomed to the MEMPC. As per the adjusted Terms of Reference, these representatives will have two year tenure with the potential for extension for another term.

The MEMPC were also supportive of the idea to aim to advertise for final and fourth Community MEMPC member from the Eildon, Yea, Marysville triangle or Castella Toolangi areas. Currently there are two representatives from around Alexandra (Sara Murray from Alexandra and David Hall from Rubicon). Michelle Dunscombe lives in the Kinglake Ranges.

Details of the targeted expression of interest process will be circulated for comment to the MEMPC prior to the EOI opening.

8. MEMPC Exercise

See attached report

9. NSP update and new landowner agreements

This agenda item was discussed during agenda item 6 above (last paragraph).

10. Essential Water Policy – new policy released

Chris Price stated that DELWP had recently released its combined policy on essential water replacement in emergencies. The policy has reduced requirements for Council (as discussed at previous meetings). A new 'landholder' card, circulated with the agenda, is designed to be handed directly to landholders from whom fire agencies are taking water.

The new process will require claimants to fill out an "Essential Water Claim Form" (available from both DELWP <http://www.delwp.vic.gov.au/fire-and-emergencies/essential-water> and Council websites <http://www.murrindindi.vic.gov.au/Your-Council/Emergency-Management/Emergency-Managment-Resources#Essential-Water-Replacement-7>).



This form will be submitted to DELWP who will determine if and how much essential water is to be replaced. Council will then coordinate the cartage of the water and reclaim associated costs from DELWP.

Under the new policy, claimants only have three months to put in a claim form.

11. General Business

Ambulance Victoria

Maurice Woodburn stated that the planned changes in the EM Act 1986 that see them become the control agency for heat have been put on hold. The updates to the State Emergency Response Plan are due in December 2017 and it is thought that the control responsibilities for heat may come with that change.

NBN issues

It was discussed that with the NBN that people need to specify a battery back-up phone if they require access to a phone when the power is down. This is because the NBN relies on the electricity service.

Rubicon

David Hall discussed the current supply of water and sewage issues to Rubicon. At present 12 houses have had their water/sewage cut off due to some local issues. GWV is currently trucking in water.

MEMPC Media Plan

David Hall suggested that the MEMPC develop a media plan for the next 12 months and promote planning aids such as Red Cross's Rediplan. The MEMPC agreed that this would be a positive move.

Action: MEMPC media plan to be developed by next MEMPC meeting (March 2017)

UGFM

Peter Weeks stated that the Kinglake radio transmitter is now backed up by a generator at Kinglake. The generator will allow the adjacent hall to have lights on but nothing else as it would exceed the generator's capacity.

The fuel tank on the generator will allow for a 24 hour continuous use before refuelling required.

12. Close and Next Meeting

The meeting was closed at 4:35pm. Mark thanked everyone for their attendance.

The next meeting is:



Thursday March 2nd, 2017. Meeting Room, Council Offices, Perkins St Alexandra from 3pm until 5pm.

DRAFT

MEMPC Exercise Report, 17th November 2016

BLEVE Scenario

Exercise Partners:



Introduction

During the Murrindindi Shire Council and Lake Mountain Alpine Resort Municipal Emergency Management Planning Committee meeting, held on the 17th of November, the annual emergency management exercise was conducted. The exercise consisted of the presentation of an emergency scenario followed by a round table discussion. Each agency was asked to comment on the effects of the scenario on their agency and to discuss their agencies response to the emergency initially, followed by their agencies contributions to the relief and recovery effort.

Emergency Scenario

The scenario chosen for the exercise was a BLEVE or Boiling Liquid Expanding Vessel Explosion. The scenario began with an elderly resident heading south into town driving a large 4wd vehicle. He had a heart attack as he was driving and subsequently crashed into a full LPG tanker at Simpsons Fuels, located in the north of town. The bonnet of the car was wedged under the LPG Tanker and immediately caught fire. The victim was dragged from the vehicle and CPR was being attempted on scene. The LPG tanker did not immediately explode although the crash caused a hair line crack to appear in the tank. The LPG escaping the crack was subsequently lit by the burning car resulting in a potential BLEVE.

A video of a BLEVE was shown to the MEMPC (https://www.youtube.com/watch?v=UM0jtD_OWLU) which showed the effects of a burning and venting pressure vessel.

11,000 gallons/42,000lt of LPG were present in tanker at the time of the crash. In the worst case scenario, the BLEVE will explode within 7 minutes. In the best case scenario if water, at the rate of 2,000lt a minute was applied to the vessel, the BLEVE would not fully explode until approximately 32 minutes had transpired.

This BLEVE will result in an explosion of a radius of 70m. Everything within that radius will potentially be destroyed. The minimum evacuation distance recommended for a BLEVE of this size is 1,200m with a distance of 2,000m preferred. The emergency services have set up a perimeter at 300m as part of the emergency.

Participants were given two handouts for the scenario

1. BLEVE Explosion Radius.
This handout (attachment 1 below) showed the predicted radius of the BLEVE. Everything in this radius is considered to be heavily impacted by the explosion and or destroyed completely
2. BLEVE Evacuation Recommendations
This handout (attachment 2 below) has the impact point on it and two radius' around the impact point. The first radius (1,200m) is the minimum recommended evacuation radius. The second (2,200m) is the preferred evacuation radius.

Discussion

The initial plan for the discussion aspect of the exercise was to proceed around the table and discuss how the scenario would impact on each of the agencies present. However due to the limited time (potential for explosion in 7 minutes), this format was not utilised. Instead, each of the key response agencies discussed their thoughts on the scenario. Those that did not initially speak were asked individually throughout the exercise on how the scenario may impact their organisation or their communities (if a community rep).

Response

Initially the response agencies and Victoria police came up with some original ideas to limit the potential impact to the local community. These included:

- Driving response vehicles throughout the potentially impact area using loudspeakers to warn people of the dangers
- Continually sounding the alarm at the combined SES/CFA station on Shamrock St
- Doorknocking with Vic Pol and Vic SES staff and volunteers
- Calling potentially impacted properties (identified in explosion radius in attachment 1)

These ideas were eventually cast aside however after approximately 20 minutes of discussion as it was thought that a constant alarm or loudspeaker alerts would draw people out into the streets where they might be at more risk of being impacted by the BLEVE. CFA representatives also determined that response times would be greater than 8 minutes to the BLEVE which would mean it would explode before any CFA staff/volunteers were on site. Similarly, the required water cooling rate of 2,000lt per minute required to cool the LPG tanker is not feasible with the current infrastructure – Tankers only hold 3,000lt of water and local standpipes are not capable of delivering the required cooling flow rate of water.

A perimeter would be maintained around the site by Victoria Police. Schools, DELWP offices and other targeted phone calls would be made. The power would be shut off

SEWs (Single Emergency Warning System) and ABC radio notification take 15minutes so they wouldn't be used to notify of the incident.

Ambulance Victoria staff would be directed to stay outside of the immediate area and senior staff, extra paramedics and other state response (such as helicopters etc) would all be put into action. Field emergency teams would be requested and advised of expected mass casualties.

The major issue for Goulburn Valley Water would be isolating any water infrastructure as soon as practicable so that domestic water supply is interrupted as little as possible. If isolation could not occur, drinking water could potentially be trucked in.

As a result of detailed discussions it was determined by the MEMPC that the more appropriate response would be to treat the explosion as inevitable and shift planning to the recovery phase. Therefore the decision was made to not evacuate as it would expose people including emergency service personnel, particularly in the immediate vicinity, to increased risk.

Recovery

Once the decision was made to move into the recovery phase, each of the exercise participants gave a summary of the effects on their organisation

As the Alexandra Emergency Relief Centre (ERC) is located within the impact zone, the primary ERC would be set up at Yea. A secondary ERC could also be set up at the Taggerty Hall.

Longer term recovery will have an impact on Council's building services who would be required to inspect damaged property. Similarly, there would be a big impact on waste services and large volumes of material being presented at the landfill/resource recovery centres.

Victorian Council of Churches stated that they would have staff on the ground as soon as practicable and could offer support services to the ERC and provide personal support to impacted persons.

Agency reps discussed the importance of keeping traffic flow out of the impact zone as it was very likely that the coroner would be required to attend the site. This could mean that the direct impact area could be shut off for a number of weeks whilst the coroner completed the required investigations. This would either prevent people from accessing the township of Alexandra from the north or require them to travel around a substantial detour with sections of dirt road. This could also pose issues for Council as those roads are not designed for constant heavy traffic.

The ongoing recovery effort from the BLEVE would be substantial. There would potentially be many residents and business owners that would not be able to access their properties. Many of these people would require alternative accommodation and potentially alternative work locations (if possible).

Council resources to deal with the relief and recovery event would not last past a few days and support would be required from surrounding municipalities. The ERCs would need to stay open for a number of days and recovery centres would need to run after that, possibly for a few weeks. Calls for support would also be made to DHHS for the relief and recovery effort.

Conclusion

The result of the BLEVE was an exercise that was very much about recovery. An agency representative stated "It's like a bomb going off". The speed and nature of the explosion caught exercise participants by surprise. Most exercises do not require decisions to be made within a few minutes – particularly decisions that had the potential to impact [pretend] lives. It was discussed in the exercise debrief at the end that due to the short time frames that the exercise was basically about recovery from an impact. It was interesting to note that this discussion took approximately 20 minutes of exercise time and by that time, the BLEVE may have already exploded.

The exercise brought together the majority of agencies from the MEMPC and allowed community representatives and agency representative to all express their levels of concern and add to the discussion. Difficult decisions were made in short timeframes by MEMPC

members and the exercise was successful in creating a direction for the recovery effort associated with the exercise.

Exercise participants stated that they had enjoyed the exercise and associated discussions. It was mentioned that at future exercises, feedback would formerly be asked for from MEMPC members on the exercise. This will be done in future to ensure continuous improvement.

Attachment 1: BLEVE Explosion Radius



Attachment 2: BLEVE Evacuation Recommendations

