

The questions we would like to see focus on include:

**1. Advise ment of the Federal Government's Roads to Recovery funds and other road funding have been spent at Dinner Plain in the past five years?**

The process for allocating projects to Roads to Recovery Funding is as follows:

- Council's asset management system which contains 576 kms of roads prioritises the renewal of roads projects based on the total life of the asset and the condition rating applied to that road. Council has very high quality roads based on early intervention (rating average of 7.6 compared to other Council's who don't intervene until 8.5 or 9 with a rating of 10 being the worst condition of a road). The useful life of Council's roads is up to 100 years based on the component of the road (i.e. formation v pavement v reseal).
- Every three years council undertakes a detailed condition assessment of its roads. This then informs what roads are required to be renewed and a program is put forward as part of the budget development process. The program is structured in a way to get economies of scale (i.e. location) in order to achieve the best price for renewal.
- Dinner Plain roads are still in the first half of their useful life and are made from concrete which means renewal requirements are currently low. As the DP roads deteriorate, and require renewal (rather than patch up maintenance) they will be included in the road renewal program. How Council's funds its projects is outlined in Council's budget each year which changes from year to year depending on funding available at that time.
- There has been no R2R funding assigned to DP road projects in the last 5 years however as the condition of the roads in the Village deteriorate they will be prioritised as part of the road renewal program and have R2R funding allocated.

**2. Advise ment of what the Shire has expended the State Government grant of over \$625,000 for Dinner Plain following the recent Harrierville bush fire?**

Funds received for the "gravity park" and "adventure park" projects in Dinner Plain were as follows and were jointly funded by state and federal governments:

|                               |                    |
|-------------------------------|--------------------|
| Contribution RDV (state)      | \$350,000          |
| Contribution TIRF (federal)   | \$250,000          |
| Alpine Shire Council          | \$665,000          |
| Contribution from MHSC/Merlin | \$150,000          |
| In-kind support (ASC)         | \$53,000           |
| In-kind support (Other/MHSC)  | \$49,100           |
| <b>Total revenue</b>          | <b>\$1,517,100</b> |

Total project/s cost: \$1,517,750 – details of costs are outlined below and include planning, asset development and project management by both Mount Hotham Ski Company and Alpine Shire Council (ASC) staff. The accounts have been audited by Johnsons MME as part of the government funding acquittal requirements.

|                          |                    |
|--------------------------|--------------------|
| Snowmaking               | \$836,918          |
| Tubing                   | \$205,203          |
| Ski Field Lighting       | \$86,500           |
| Tennis Courts            | \$38,516           |
| Frisbee Golf             | \$11,137           |
| Tracks/MTB               | \$311,400          |
| Fitness Stations         | \$19,946           |
| Water Tower Study        | \$8,130            |
| <b>Total expenditure</b> | <b>\$1,517,750</b> |

**3. Advisement of what has been the total residential, commercial and rural general rates including the school revenue collected at Dinner Plain for the past five years, with a year on year breakdown?**

The summary below shows the rates and charges income relating to the Dinner Plain Business Function.

| Master Account |                                      | 2010/11 Actual     | 2011/12 Actual     | 2012/13 Actual     | 2013/14 Actual     | 2014/15 Actual     |
|----------------|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 3105 - income  | New Projects Dinner Plain            |                    |                    | (124,500)          | (290,000)          | (308,500)          |
| 1601           | Dinner Plain Rates and Charges       | (1,482,669)        | (1,543,672)        | (1,209,230)        | (1,161,624)        | (1,239,786)        |
| 1602           | Dinner Plain waste and Recycle Rates | (218,646)          | (245,824)          | (263,178)          | (276,380)          | (296,193)          |
| 1604           | Dinner Plain Administrative Services | (61,327)           | (33,745)           | (30,000)           |                    |                    |
| 1605           | Dinner Plain Village Services        | (59,091)           | (81,043)           | (55,064)           | (65,616)           | (98,724)           |
| <b>Total</b>   |                                      | <b>(1,821,733)</b> | <b>(1,904,284)</b> | <b>(1,681,972)</b> | <b>(1,793,620)</b> | <b>(1,943,203)</b> |

Further details include: Department of Education Lease income of \$45k per annum, paid in two instalments February and August annually. Other lease income is made up of leases for rental of container spaces at the depot, Omeo Bus Lines rent a bus bay in the bus shed off season and Elgas pays \$7,000 per year for the housing of the gas storage units. Dinner Plain Services pays a lease for the snow blower (4 months annually) and office space 12 months of the year. Tour operators (horse riding and sled dogs) pay tour operator fees and lease fees for Crisps Hut. Snow Play Café pays a lease amount annually for the use of Scrubbers End Café. These amounts change year to year (as the operators generally change year to year).

**4. Advisement of what the total Special Rate collected has been for commercial, residential and rural properties at Dinner Plain for the past five years, year on year.**

The commercial/industrial differential rate and rural differential rate do not apply to Dinner Plain. Only the general rate and special rate apply. Refer to the 2016.17 Budget which includes Councils Rating Strategy as follows:

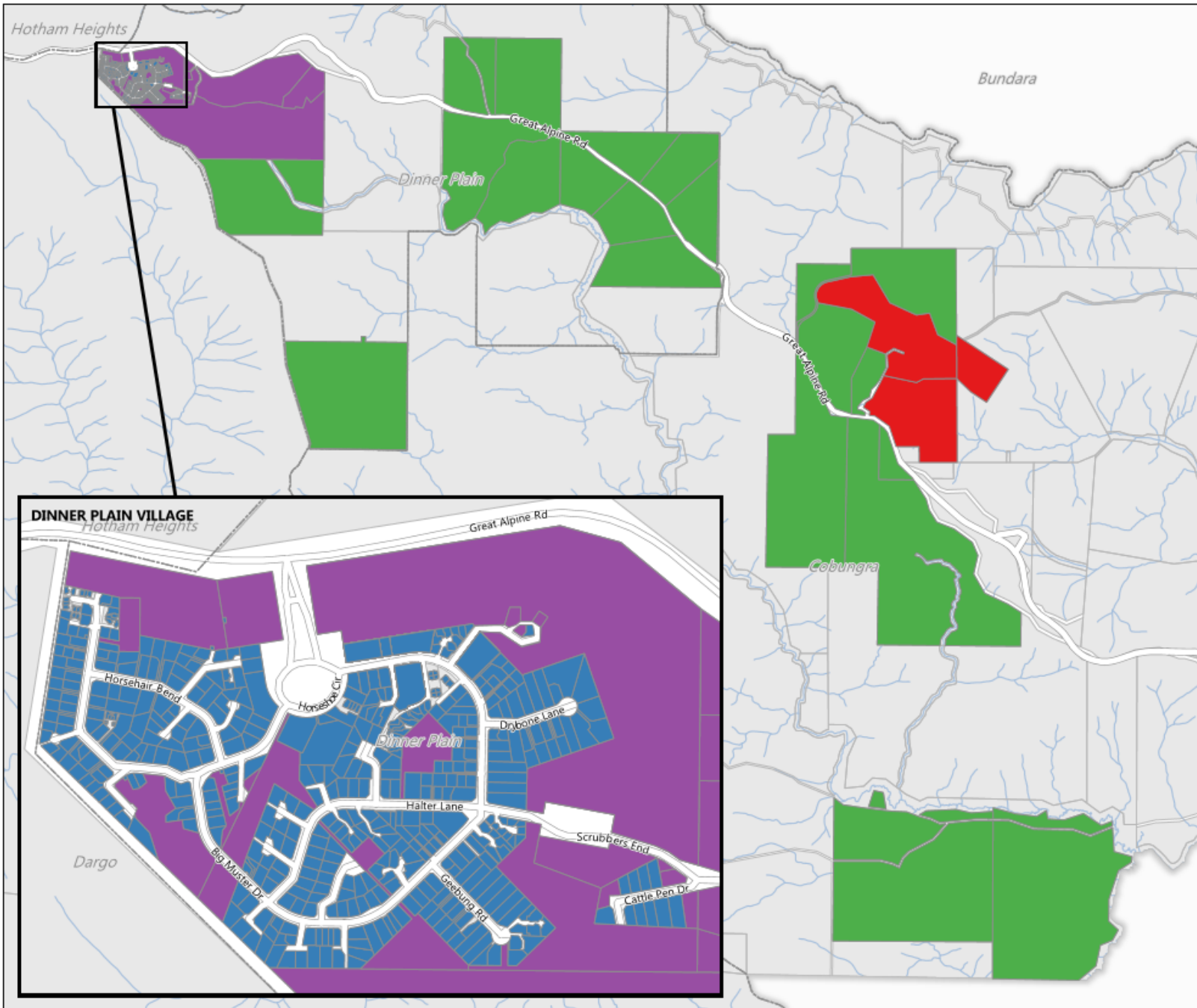
Differential farm rate policy – clause 7.3.3

Differential commercial/industrial rate policy – clause 7.4.5 (dot point 3)

The Airport is classified and rated as commercial and its rates are not quarantined in the Dinner Plain business function. Farm properties located outside of the Dinner Plain village towards Omeo that are over 8 hectares are farm rate and are not included in the Dinner Plain business function. Only the properties which are subject to the special rate are quarantined in the Dinner Plain business function.

A map has been included which shows the rate classification localities in and around Dinner Plain. Below is the summary of special and general rates as detailed in the audited operating statement.

|  |  |   | <b>2010/11 Actual</b> | <b>2011/12 Actual</b> | <b>2012/13 Actual</b> | <b>2013/14 Actual</b> | <b>2014/15 Actual</b> |
|--|--|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |  | Special rate                                  | (675,298)             | (686,914)             | (572,478)             | (494,264)             | (562,437)             |
|  |  | General rate                                  | (807,372)             | (856,758)             | (636,752)             | (667,360)             | (677,349)             |
|  |  | <b>Total Rates</b>                            | <b>(1,482,669)</b>    | <b>(1,543,672)</b>    | <b>(1,209,230)</b>    | <b>(1,161,624)</b>    | <b>(1,239,786)</b>    |
|  |  |   |                       |                       |                       |                       |                       |
|  |  | Special Rate declared in Appendix B of budget | (668,140)             | (681,929)             | (576,214)             | (494,594)             | (560,124)             |
|  |  | General Rate declared in Appendix B of budget | (795,404)             | (852,412)             | (640,950)             | (668,675)             | (674,848)             |
|  |  |   | <b>(1,463,544)</b>    | <b>(1,534,341)</b>    | <b>(1,217,164)</b>    | <b>(1,163,269)</b>    | <b>(1,234,972)</b>    |



## Rating Classifications

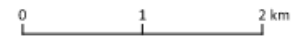
### Dinner Plain and Cobungra

#### Legend

##### Rate Classification

- Commercial/Industrial
- Dinner Plain
- Farmland
- Non-rateable

N



Coordinate System GDA94 MGA Zone 55

Created: 7/6/2016

While every care is taken by Alpine Shire Council, Land Victoria and the Department of Sustainability and Environment to ensure the accuracy of this data, Alpine Shire Council, Land Victoria and the Department of Sustainability and Environment jointly and severally make no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and disclaim all responsibility and all liability (including without limitation, liability in negligence) for all expenses, losses, damages (including indirect or consequential damage) and costs which may be incurred as a result of data being inaccurate or incomplete in any way and for any reason.



Alpine Shire

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**5. Advisement of the revenue charged for waste services at Dinner Plain for the last five years, what the tender costs for the doing the work has been and what has happened to the balance collected for waste but not paid to any external provider for collection?**

The audit report released shows the audited Operating Statement of Dinner Plain for the last 11 years in Appendix 1. The revenue account 1602 – Waste and recycle rates shows the amount of charges revenue raised each year.

The operating statement also shows account 2704 – Waste management costs incurred each year. Below is an extract of the audited Operating Statement which shows the net cost of waste over the last 11 years. This shows that Council has paid \$110,107 in waste more than the revenue that has been raised.

|                                      | 2004/05 Actual | 2005/06 Actual  | 2006/07 Actual  | 2007/08 Actual  | 2008/09 Actual  | 2009/10 Actual |
|--------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Dinner Plain waste and Recycle Rates | (89,397)       | (95,889)        | (108,900)       | (128,568)       | (183,564)       | (210,581)      |
| Waste Management                     | 91,532         | 117,651         | 153,880         | 214,250         | 205,082         | 223,920        |
| <b>Net result for waste only</b>     | <b>2,135</b>   | <b>21,761</b>   | <b>44,980</b>   | <b>85,682</b>   | <b>21,517</b>   | <b>13,339</b>  |
|                                      | 2010/11 Actual | 2011/12 Actual  | 2012/13 Actual  | 2013/14 Actual  | 2014/15 Actual  | Total          |
| Dinner Plain waste and Recycle Rates | (218,646)      | (245,824)       | (263,178)       | (276,380)       | (296,193)       |                |
| Waste Management                     | 252,490        | 230,138         | 233,980         | 253,036         | 251,267         |                |
| <b>Net result for waste only</b>     | <b>33,845</b>  | <b>(15,686)</b> | <b>(29,198)</b> | <b>(23,344)</b> | <b>(44,926)</b> | <b>110,107</b> |

**6. Shire itemise all other revenue including payments from the Ski Company collected over a five year period with a year on year summary.**

Below is a table of the total revenue for Dinner Plain. This is what has been audited and the Operating Statement has been included in Appendix A of the Audit Report. Detailed transactions listings are available in hard copy format to be viewing at the Bright Shire Office. This is not for distribution.

|               |                                      | 2010/11 Actual     | 2011/12 Actual     | 2012/13 Actual     | 2013/14 Actual     | 2014/15 Actual     |
|---------------|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 3105 - income | New Projects Dinner Plain            |                    |                    | (124,500)          | (290,000)          | (308,500)          |
| 1601          | Dinner Plain Rates and Charges       | (1,482,669)        | (1,543,672)        | (1,209,230)        | (1,161,624)        | (1,239,786)        |
| 1602          | Dinner Plain waste and Recycle Rates | (218,646)          | (245,824)          | (263,178)          | (276,380)          | (296,193)          |
| 1604          | Dinner Plain Administrative Services | (61,327)           | (33,745)           | (30,000)           |                    |                    |
| 1605          | Dinner Plain Village Services        | (59,091)           | (81,043)           | (55,064)           | (65,616)           | (98,724)           |
|               |                                      | <b>(1,821,733)</b> | <b>(1,904,284)</b> | <b>(1,681,972)</b> | <b>(1,793,620)</b> | <b>(1,943,203)</b> |

**7. Shire itemise the expenses for Dinner Plain for the past five years in a spread sheet including all labour and breakdown costs and analysis including Snow Grooming and road repairs and by whom.**

A hard copy of the transactions will be provided for viewing at the Bright Shire Office. This is not for distribution.

**8. Shire advisement of what the percentage administration cost spread across all ratepayers in the Alpine Shire out of their general rate and why it would be different for Dinner Plain.**

The actual Dinner Plain administration charge charged over the last 5 years is listed below.

|                                    | 2010/11 Actual | 2011/12 Actual | 2012/13 Actual | 2013/14 Actual | 2014/15 Actual |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Dinner Plain administration charge | 136,100        | 149,700        | 157,300        | 163,600        | 169,900        |

In the 2015 Budget the Dinner Plain rates were 9.7% of total rates and charges revenue. If this percentage was applied to Council's total administration charges Dinner Plain should have been charged \$565,088.90.

Alternatively if Council used Dinner Plains expenditure divided by Council's total adjusted expenditure (net of income), the percentage becomes 6.9% and thus equates to an administration charge of \$ 402,477. Both of these calculations include Councils recurrent grants from the grants commission and interest income.

This means that the administration charge in 2015 was understated in the order of \$395,188 or \$232,577. Council acknowledges that that a detailed policy outlining how the administration charge is applied needs to be developed. This will be done over the coming 6 months in preparation for the development of the 2017/18 Budget.

**9. Itemise what it has spent the general rate at Dinner Plain on for the past five years, with a year on year breakdown?**

This is included in the summary included in question 4. Also see the Summary of expenditure provided at appendix A.

|  |   | 2010/11 Actual     | 2011/12 Actual     | 2012/13 Actual     | 2013/14 Actual     | 2014/15 Actual     |
|--|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | Special rate                                  | (675,298)          | (686,914)          | (572,478)          | (494,264)          | (562,437)          |
|  | General rate                                  | (807,372)          | (856,758)          | (636,752)          | (667,360)          | (677,349)          |
|  | <b>Total Rates</b>                            | <b>(1,482,669)</b> | <b>(1,543,672)</b> | <b>(1,209,230)</b> | <b>(1,161,624)</b> | <b>(1,239,786)</b> |
|  | Special Rate declared in Appendix B of budget | (668,140)          | (681,929)          | (576,214)          | (494,594)          | (560,124)          |
|  | General Rate declared in Appendix B of budget | (795,404)          | (852,412)          | (640,950)          | (668,675)          | (674,848)          |
|  |   | <b>(1,463,544)</b> | <b>(1,534,341)</b> | <b>(1,217,164)</b> | <b>(1,163,269)</b> | <b>(1,234,972)</b> |

**10. Advisement of how the Shire has spent the special rate expenditure at Dinner Plain for the past five years, with a year on year breakdown?**

The audited Operating Statement includes the expenditure relating to Dinner Plain. Council has provided a hard copy of all detailed transactions for viewing on site.

**11. Shire advisement of where the interest earned at Dinner Plain on excess funds has been allocated.**

Refer to the audit report.

**12. Shire advisement of why a car is being funded out of Dinner Plain funds but is in the general pool of cars for the Shire?**

The car was purchased in November 2012 at a cost of \$30,766.70. The trade in of another Council vehicle meant the net cost of the vehicle was \$20,117 which was paid from the Dinner Plain business function.

The costs associated with the Dinner Plain car ceased being charged to the Dinner Plain business function in May 2015 when the car entered Council's pool car fleet. The proceeds from the sale of the Dinner Plain car plus Council's use between May 2015 and the sale date will be recognised as revenue on the date of sale.

**13. Advisement of reason why the Shire purchased three large lots of freehold land at Dinner Plain, what the cost was and what they are intended for? What funds were used to purchase this freehold land?**

The purchase of the land in 2011/12 was funded from the Dinner Plain reserve. The cost of the land was \$676,875.46 + costs incurred as part of the sale \$10,059.30 = \$686,934.76

The ownership of these lots was considered important to enable both the protection of existing recreational trails and provide opportunities for new recreational facilities – walking tracks and mountain bike trails, cross country skiing, dogsled etc. The DP committee at the time supported this purchase.

**14. Shire advisement to ratepayers on the full cost of the bus services, amount paid by the Ski Company and Mt Hotham to the Shire, the ratepayer contribution, and the customer versus staff usage for the past two years. How much revenue was generated by the bus company commissioned with ratepayer's money to run the service?**

In 2012 the bus service was operated by Christians Bus Company and cost the rate payers of Dinner Plain \$287,000. In 2013 and as a result of a new tender for operation of the service, the bus Contract was awarded to Dinner Plain Transit Services (the only tender submitted).

| Year        | Provider             | Cost       | Staff transport                     | Pre-paid gate entry                      | Cost to Ratepayers | Family Fare | Adult Fare | Child Fare |
|-------------|----------------------|------------|-------------------------------------|--|--------------------|-------------|------------|------------|
| 2012        | Christians           | \$ 317,000 | - 30,000                            | Directly paid to Christians by customers | \$ 287,000         | \$ 32       | \$ 16      | \$ 8       |
| 2013        | Dinner Plain Transit | \$ 82,727  | Directly paid to DP Transit by MHSC | \$ 44,895                                | \$ 127,622         | N/A         | \$ 20      | \$ 15      |
| 2014        | Dinner Plain Transit | \$ 136,818 | Directly paid to DP Transit by MHSC | \$ 55,115                                | \$ 191,933         | \$ 40       | \$ 15      | \$ 10      |
| 2015        | Dinner Plain Transit | \$ 120,000 | Directly paid to DP Transit by MHSC | \$ 49,978                                | \$ 169,978         | \$ 40       | \$ 15      | \$ 10      |
| 2016 + 2017 | Dinner Plain Transit | \$ 120,000 | Directly paid to DP Transit by MHSC | \$ 60,000                                | \$ 180,000         | \$ 40       | \$ 15      | \$ 10      |

Please note pre-paid gate entry for 2016 and 2017 any unused portion will be returned to Dinner Plain Special Rate. In 2015 \$49,978 of the \$60,000 pre paid amount was utilised - \$10,022 was refunded to Dinner Plain Special Reserve.

The night bus trial in 2015 was an additional shared cost of \$8,050 (MHSC contributed to 50% of this cost).

In 2013 the contract was for a one year period only. In 2014 Dinner Plain Transit Services was the only tenderer for a one year contract offered. Council negotiated with Dinner Plain Transit Services to lower the cost to the patron (ie \$20 per Adult to \$15 per Adult) to drive greater patronage to the bus. In 2015 a tender went out offering a three year Contract. Dinner Plain Transit Services was again awarded the Contract. The provider was able to ask for a lower annual amount as their costs could be amortised over a 3 year period. The Contractor has "frozen" the cost to ride for patrons at the \$15 per Adult price for the duration of the Contract to continue to drive patronage to the bus (to be competitive with the car gate entry price).

MHSC and Department of Education both pay subsidies to Dinner Plain Transit Services directly for the movement of staff and school children. Council does not have or need to have student or staff patronage numbers as the moving of staff is by separate arrangement with the organisations. Dinner Plain Transit Services may be prepared to provide DPRBOS with revenue generated by bus ticket sales to bus patrons.

**15. Shire advisement of all funds received for other services from the Ski Company and other providers?**

Lease payments are detailed in Question 3. The audited Operating Statement is included in the Auditors Report. Council has also made available for viewing all transactions relating to the Dinner Plain Business Function in hard copy at the Bright Shire Office.

**16. Details of the Road base Gravel purchased for approx. \$125k from Stadelmann Company prior to the Shire having all statutory certifications signed off on a supplementary services road construction into their depot area.**

In September 2008, a contract was awarded in Stadelmann Enterprises Pty Ltd for the Construction of a Link Road at Dinner Plain for a lump sum price of \$307,424 (excluding GST). Stadelmann Enterprises Pty Ltd invoiced Council \$126,312 (excluding GST) on 27 May 2009 for Progress Claim 1 under this contract. In addition to mobilisation and initial on-ground works, this included the supply and delivery of 918m<sup>3</sup> of 40mm aggregate material (road base gravel). Road construction works commenced, but were then put on-hold and it was later determined that the project be terminated. The aggregate was later used for construction at Dinner Plain e.g. Dinner Plain, was sold commercially at market price or was stolen. It is the view of the current administration that in common with a range of Council projects at that time this project was very poorly managed.

**17. Advisement of Wage breakdown, time allocation and employee KPI's, Office Costs of those relevant employees to Dinner Plain.**

The Dinner Plain Manager was first appointed in 2012 with the role being responsible for the management of services for Dinner Plain including the development and delivery of the "adventure" and "gravity" park projects at a total package of \$110,046 pa for 4 days per week.

The Coordinator role from 2014 to the end of 2015 was also 4 days per week and a package of \$73,122.19 pa. The role has changed in recent times to most recently being Dinner Plain Marketing and Events Support Officer. This role is a temporary contract role at 4 days a week to the end of August and costs \$1,055 (gross) per week. Other duties (outside of Marketing and Events) that were undertaken of the Dinner Plain Manager/Coordinator are now undertaken by other Council staff in Bright. In some instances this cost is absorbed by Council.

The Lease of office space at Brandy Creek was for an amount of \$10k (before outgoings) per annum. The Lease of the office space was cancelled effective as at 1 May 2016.

**18. Advisement of marketing expenditure including Event acquittals**

Event organisers provide Council with a report summarising the success of the event which was funded outlining how the funds were spent. The table below shows the total marketing expenditure for the last 11 years (which is incorporated in the audit report).

|                    |                |
|--------------------|----------------|
| 2005               | 76,527         |
| 2006               | 50,670         |
| 2007               | 101,702        |
| 2008               | 163,060        |
| 2009               | 144,661        |
| 2010               | 128,011        |
| 2011               | 95,248         |
| 2012               | 81,466         |
| 2013               | 53,806         |
| 2014               | 40,758         |
| 2015               | 59,245         |
| <b>Grand Total</b> | <b>995,153</b> |

**19. Advisement of Ski slope: it's associated cost, ownership and accounting allocation.**



The land associated with the ski slope is owned by Council. There is a Lease agreement with MHSC and Deed of Variation to the Lease (as a result of the recent joint venture ski field project). The Lease has a nil value amount attached to it.

#### **20. Advisement of Shires allocation of house use “FBT” implications and office at Dinner Plain**

Accommodation of employees at DP has been exempt from FBT as it is consisted remote housing. Office accommodation does not attract FBT.

#### **21. Advisement of School lease arrangement; Current status and past repayments allocation etc. on behalf of the DPRBOS Committee.**

There are two agreements in place – the Lease and a Licence. The Lease agreement was implemented when Bright P12 took occupancy of the building. This is a 15 year agreement (expires December 2019). The Lease amount gets paid to “Dinner Plain other income” – same place where other Lease payments (Crisps Hut, Depot, Scrubbers End etc) are paid to. It is an annual amount that gives Bright P12 use of the facility year round. After the Lease was developed the school advised that it wouldn’t use the facility all year round and it would allow Community use of the facility. To enable the community use, a licence was developed and agreed to. The Licence allows use of the facility outside of the winter school period from October to May. Bright P12 can book to use the facility during this time at no extra cost to the annual lease that it pays. Community members may also have use of the facility “outside of school hours” when the winter school is set up but the school is under no obligation to move their gear around to accommodate this. Unlike most community buildings in the shire no fee is paid for community use.