



Steve Bracks MP
Leader of the State
Parliamentary Labor Party

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10 AUG 1999

Mr Hector Bugeja
Secretary
Sunbury Residents Association
5 Shaw Court
SUNBURY 3429

Dear Mr Bugeja

I am writing following our recent meeting regarding possible changes to municipal boundaries under a Labor Government.

As mentioned to you, Labor will consider change to municipal boundaries where there is a clear and definable case for modification(s). In regard to Sunbury, I believe there is a sufficient local ground swell for a separate municipality from the City of Hume, to warrant a poll of Sunbury and district residents.

Under a Bracks Labor Government this poll would be concluded in the first year of our first term of office, requiring more than 50% of those polled in favour of a change before any boundary change is undertaken.

Labor is committed to a true partnership with local government. In this regard we will ensure that Councils are treated as an equal partner in Victoria's system of governance.

Respecting the wishes of local communities is part of this commitment.

Thank you for meeting with me and our candidate for Tullamarine, Ms Liz Beattie.

Please contact Liz if you require any further information or detail on our policies.

Yours sincerely

A handwritten signature in dark ink that reads "Steve Bracks". The signature is written in a cursive, flowing style.

STEVE BRACKS MP
Leader of the State Parliamentary Labor Party

PS: Liz Beattie can be contacted on 9662 3511 during business hours.

Our File: 86.3.8
Enquiries: Margaret Larmer
Telephone: 92052350



Monday 10 April 2000

Hector Bugeja
Secretary
Sunbury Residents' Association
5 Shaw Court
SUNBURY 3429

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Dear Mr Bugeja

RE: COUNCIL ASSETS

I acknowledge receipt of your letter dated 9 March 2000 in which you seek advice concerning Council's Asset Sales Program.

I am pleased to respond to your questions as follows:

1. What is the approximate/estimated value of the following assets?
 - 120 acres in Racecourse Road, Sunbury
 - Remaining unsold council factoryettes in Sunbury
 - Evans Street land 10 acres (grass lands site)
 - City Depot in McDougall Road Sunbury
 - 43-47 Brook Street Sunbury
 - Municipal Offices in Macedon Street Sunbury

Council's Valuer valued the properties at a total of \$7,330,000 as at 30 June 1994.

2. Can you confirm that none of the above assets will be sold over the next 3 to 5 years?

Council has a statutory responsibility in accordance with the Local Government Act 1989 to give public notice and invite submissions concerning any proposals to sell Council owned property. Any decision to give public notice to a proposal to sell a Council owned property would be a decision of the Council. Accordingly, I cannot provide any advice in relation to whether any assets will or will not be sold over the next 3 to 5 years as this is a matter for Council's consideration.

In relation to the property at 33-49 Evans Street Sunbury, this property was sold in January 2000 for an amount of \$735,000.

3. If any of these assets are to be sold can you confirm as to whether any of the funds gained through their sale will be directed to projects located outside Sunbury including any proposed new City Office complex?

Proceeds from land sales are each year considered by the Council in preparation of the Council budget. I can confirm, however, that funds obtained from the sale of assets are applied to programs within the Council's annual Capital Works Budget.

4. What was the total return from the sale of Council properties in Sunbury which have been sold since the creation of the City of Hume?

Since the formation of Hume City Council Sunbury properties valued at \$3,941,400 have been sold.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Darrell Treloar', written in a cursive style.

DARRELL TRELOAR
CHIEF EXECUTIVE OFFICER

LGAs	Population 2000
Greater Geelong (C)	190,433
Casey (C)	167,214
Monash (C)	164,677
Brimbank (C)	162,810
Boroondara (C)	158,486
Whitehorse (C)	148,054
Knox (C)	142,095
Yarra Ranges (S)	140,741
Moreland (C)	138,595
Kingston (C)	133,393
Mornington Peninsula (S)	133,387
Greater Dandenong (C)	132,559
Darebin (C)	129,470
Hume (C)	127,657
Glen Eira (C)	123,703
Banyule (C)	118,859
Frankston (C)	112,994
Whittlesea (C)	112,827
Manningham (C)	112,051
Moonee Valley (C)	111,903
Maroondah (C)	98,479
Stonnington (C)	91,634
Bayside (C)	90,205
Greater Bendigo (C)	86,747
Wyndham (C)	82,049
Hobsons Bay (C)	81,883
Port Phillip (C)	81,405
Ballarat (C)	81,233
La Trobe (S)	70,745
Yarra (C)	68,466
Maribymong (C)	63,516
Nillumbik (S)	58,375
Greater Shepparton (C)	55,875
Mildura (RC)	47,687
Melbourne (C)	45,052
Melton (S)	44,947
Cardinia (S)	43,729
Wellington (S)	42,485
East Gippsland (S)	40,439
Baw Baw (S)	35,758
Campaspe (S)	35,676
Macedon Ranges (S)	35,445
Wodonga (RC)	33,096
Shire of Sunbury	30,000
Warrnambool (C)	28,582
Mitchell (S)	27,513

LGAs	Population -2000
Wangaratta (RC)	26,460
Moirā (S)	26,352
South Gippsland (S)	26,075
Bass Coast (S)	24,099
Moorabool (S)	23,752
Swan Hill (RC)	21,110
Delatite (S)	20,917
Glenelg (S)	20,790
Colac-Otway (S)	20,654
Surf Coast (S)	19,437
Horsham (RC)	18,343
Corangamite (S)	17,412
Southern Grampians (S)	17,100
Mount Alexander (S)	17,075
Moyne (S)	16,354
Indigo (S)	14,499
Hepburn (S)	14,399
Golden Plains (S)	14,301
Northern Grampians (S)	13,326
Murrindindi (S)	13,186
Central Goldfields (S)	13,041
Alpine (S)	12,629
Gannawarra (S)	12,447
Ararat (RC)	11,605
Strathbogie (S)	9,239
Loddon (S)	8,974
Yarriambiack (S)	8,704
Buloke (S)	7,716
Pyrenees (S)	6,881
Hindmarsh (S)	6,837
Towong (S)	6,452
West Wimmera (S)	5,063
Queenscliffe (B)	3,594
Unincorporated Vic	85

SHIRE OF SUNBURY
INDICATIVE BROAD BUDGET

SHIRE OF SUNBURY AUGUST 2000-08-25**RECURRENT REVENUE**

RATES	\$6.0m
SPECIAL CHARGES	\$90,000
DEVELOPER CONTRIBUTIONS	\$160,000
*MUNICIPAL CHAGE10324X20	\$206,480
	<hr/>
	\$6.456m
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GRANTS	
GOVERNMENT GRANTS RECURRENT	\$3.7m
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*USER CHARGES/FINES	\$3.9m
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INTEREST	\$120,000
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SALES OF ASSETS	\$130,000
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TOTAL RECURRENT REVENUE	\$14.306m
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TOTAL EXPENDITURE	\$13.706m
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SURPLUS	\$600,000

Rates of \$6.3m to Oaklands Road/approximately \$6.0m for Sunbury and District.

*Could be higher revenue from tip.

Hire council office space.

RECURRENT EXPENSES

SALARIES/Cr EXPENSES	\$6.2m
EXTRAS (OVERTIME)	\$ 60,000
SUPER/WORKCOVER	\$545,000
ASSOCIATED COSTS (UNIFORMS/PROT.CLOTHING)	\$ 40,000
TRAINING DEVELOPMENT	\$120,000
TAX EXPENSES (F&T)	\$ 45,000
	<u>\$ 7,010m</u>

INTREREST BANK CHARGES	\$ 10,000
PAYMENT GOONAWARRA GOLF COURSES	\$ 32,000
BANK CHARGES	\$ 70,000
	<u>\$112,000</u>

THERE IS NO ALLOWANCE FOR LOAN REPAYMENTS AS WE BELIEVE THE \$5m LIABILITY TO SUNBURY WILL BE PAID OUT OF THE SALE OF RACECOURSE ROAD LAND WHICH WILL GENERATE APPROXIMATELY \$7m.

GRANTS, CONTRIBUTIONS

HUME/MOONEE VALLEY REG.LIBRARY	\$430,000
EPA LANDFILL LEVY SUNBURY	\$ 96,000
SUNBURY TRADERS	\$ 90,000
COMMUNITY GRANTS	\$ 50,000
SES/RED CROSS	\$ 10,000
MEMBERSHIP MAV	\$ 38,000

\$714,000

MATERIALS

SUPPLIES/CONSUMABLES	\$425,000
PRINTING	\$150,000
POSTAGE	\$ 80,000
PUBLICATIONS	\$ 60,000
SERVICES	\$4.2m
TRAVEL COSTS	\$ 30,000
ASSETT PURCHASES	\$200,000

\$5,145,000

UTILITY CHARGES

WATER	\$100,000
ELECTRICITY	\$340,000
GAS	\$ 65,000
TELEPHONE	\$180,000
BUILDING MAINTENANCE	\$ 40,000

\$725,000

Notes / Assumptions – Shire of Sunbury indicative budget

The budget has potential for on going increase income

Growth of approx 150 – 180 new homes and an approx. rate of \$600 per property

Ingram Commercial Development in Home St rate of \$130,000

Sale of Racecourse Rd Land \$7-7.5m

Will pay out apportioned debt

Housing estate will develop well and generate additional rates in future

Encourage needs to be provide to value adding to rural land –which increase rate to owners and rate value

Encourage needs to be provide to develop existing designated vacant industry areas – which will provide future additional income

Future potential major capital requirements identified are

Extension to gymnasium	\$150,000 – this will generate increase income
Youth building extension	\$600,000
Upgrade Memorial Hall	\$200,000
Arts Centre Jackson Hill	\$800,000
Sports Ground Goonawarra	\$800,000
Total	\$2,550,000 Over 2 to 5 years

REVIEW PANEL ASSUMPTIONS

COMMENTS & ADDITIONS

ASSUMPTIONS

The following are comments on the assumptions provided by the Review Panel.

Level of Service Delivered to Residents

We believe the new Shire of Sunbury would be able to undertake a range of activities currently undertaken by dedicated staff e.g. the economic development and media and communications units through the incorporation of these activities into the day to day activities of other staff. The shift of these services within the shire of Sunbury from dedicated staff other staff will provide significant savings without impacting on the services provided to the residents of the new Shire.

This assumption needs to take account of the significant savings, which will be achieved through this process.

Grants Commission funding

We believe that a proportioning of the City of Hume's grants commission funding to the Shire of Sunbury needs further research as the allocation to Sunbury and Hume municipalities would be determined on a statewide basis taking account of the statewide total pool of funds available and the horizontal fiscal equalisation formula used for their allocation to municipalities.

Increase in operating costs

This assumption needs to be balanced by the real opportunities for efficiencies to be gained in operating costs including substantially reduced direct and indirect costs including lost staff time associated with staff travelling within the municipality which includes lost staff time.

Also efficiencies should be available as a result of the compact nature of the Shire of Sunbury and a single population center with little need to duplicate key infrastructure. There should also be reduced central operating service / facility coordination and planning coordination costs. With a flatter management structure on site managers of facilities and services would take increase responsibility for their overall operation without the need for central coordination staff.

The comments made regarding the assumption Level of Service Delivered to Residents also apply to this assumption.

This assumption needs to also take account and be balance by the potential for increased income including growth in rate base, increase return from other operations particularly the Sunbury tip which current shows a net loss but has the real potential to generate a surplus of at least \$200,000 -\$300,000 pa.

Establishment cost

This assumption needs to reflect the fact that in the case of the new Shire of Sunbury some of the establishment costs including signage can be spread over a number of years (2 to 5 years).

Also our proposal is to cover these costs from part of the proceeds from the part sale of the Racecourse Rd land in Sunbury.

Sunbury Residents Association

Requested Additional Information, 14 September 2000

SUNBURY RESIDENTS ASSOCIATION

Established in 1974

Member of the Victorian Local Governance Association

President B O'Farrell
 4 Higgins Ave.
 Sunbury 3429

Secretary H Bugeja
 5 Shaw Crt
 Sunbury 3429

Mr. Roger Male
Chairman
Local Government (Hume City Council) Review Panel
Department of Infrastructure
Level 19, 80 Collins St
MELBOURNE 3000

Dear Chairman

REQUESTED ADDITIONAL INFORMATION

As requested by the Review Panel at our recent presentation / discussion regarding the establishment of the Shire of Sunbury we are pleased to attached the following information:

- **A response to the Australian Services Union (ASU) submission to the Review Panel**
- **A budget for the establishment costs for the Shire of Sunbury**
- **An organisation chart for the new Shire of Sunbury.**

In preparing our response to the ASU submission we undertook further consultation with some staff members of the City of Hume. We also conveyed our position to the ASU at a recent meeting we had with Darrell Cochrane, Branch Secretary, ASU –MEU/PS Branch.

The information provided in response to the ASU submission further supports the establishment of the Shire of Sunbury.

The proposed organisation chart was developed after consultation with a number of municipalities including Wangaratta, Warrnambool, Moorabool and Swan Hill. The proposed staff numbers for the new Shire of Sunbury is 110 equivalent fulltime positions which we calculate will result in a salary bill of \$5.7m which is less than the \$6.2m salary level detailed in the budget included in our earlier submission to the panel.

We proposes that the cost of establishing the Shire of Sunbury, as detailed in the attached information, be met using the revenue (\$720,000) from the recent sale of the Evans St timber yard site in Sunbury. The City of Hume has placed these funds in an account pending the outcome of the Review

This Association had earlier written to Minister Cameron requesting the freezing of asset sales in Sunbury by the City of Hume pending the outcome of the review. The Minister forwarded this Associations letter to the City of Hume.

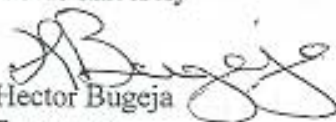
We also understand that Mike Hill of the Victorian Local Governance Association raised the issue of 'setting a precedence' with the Review panel. Such a view should not be presented as a barrier to putting in place correct municipal structures, which are strongly supported by the community they will serve.

Further we strongly question the level of any precedence that will be set by establishing the new Shire of Sunbury. There is a substantial and ongoing level of community and business effort and support that is required to demonstrate the requirement to have a particular municipal boundaries reviewed which will extensively restrict the number of such adjustments that are sought. Also there are particular circumstances and funding arrangements that related to the Sunbury case

In addition it must be remember that it is State Government policy that where there is continued and broad community concern regarding municipal boundaries the Government will consider the matter.

We would now request the opportunity to discuss with the panel our response to the ASU's submission and the level of further financial analysis undertaken by the Review panel.

Yours sincerely



Hector Bugeja

Secretary

14/9/2000

The following is a response to the issues raised by the Australian Services Union (ASU) in its submission to the Review Panel.

We have drawn out the relevant comments made under each of the terms of references and provided a full response to the issues raised.

TERMS OF REFERENCE 1

Our members believe there will be financial impact on Hume and the new Council.

They (our member) do not see how it could be cheaper to provide services by splitting the municipality

Response

Based on our analysis a Shire of Sunbury will be viable and the City of Hume will also benefit. The Shire of Sunbury will be a compact municipality with one population centre which will generate significant efficiencies compared to the existing broad based complex, multi population centered City of Hume with the required duplication of major facilities across the City.

The efficiencies, which will be achieved, include reduced travelling and associated costs including the elimination of significant lost staff time and the direct cost of purchase and operation of cars, petrol and communications.

Also we have demonstrated that the new Shire of Sunbury can be established on a debt free basis which provides significant ongoing savings.

The City of Hume will also benefit because it will become more compact and focused within the Hume growth corridor. It will reduce its administrative duplication from three administrative offices to two. These savings would be available to the City in the medium term.

Also the City of Hume will benefit by having a reduced global debt through the Shire of Sunbury's contribution to the retiring of its fair share of the debt level.

The City of Hume will quickly replace the population lost by the withdrawal of the Sunbury region through the high level growth that will continue within the remaining part of the City of Hume. The City includes some of the fastest population and industrial growth centres in Victoria

There would be potential for further redundancies to occur

Response

This will not occur if the separation is undertaken in a planned and orderly manner as proposed in our submission.

In fact the new Shire of Sunbury will provide employment and career opportunities to existing staff and expand the career opportunities for the staff remaining within the City of Hume.

Based on the continued number of job advertisements placed by the City of Hume it has a reasonable level of staff turn over and or growth in staff numbers. This turnover and growth provides further flexibility to ensure no redundancies will occur.

Also by adopting an orderly separation process over a period of 6 to 12 months, a basis is established to ensure orderly movement of staff without the need for redundancies

A Sunbury only based Council would not be entitled to obtain rate revue from the Melbourne Airport, this would impact on Sunbury ratepayers.

Response

The analysis provided in our submission demonstrated that a municipality based on the Sunbury region would generate a surplus. This analysis was based on the exclusion of the Melbourne airport from the Shire of Sunbury.

The City of Hume currently directs the revenue it receives from the Melbourne airport into its general operation budget. (The previous Shire of Bulla retained the majority of these funds for capital works)

The City of Hume general operations budget includes a range of activities including the economic development unit, which consists of 12 staff. Sunbury has not experienced any increased new activity as a direct result of this unit. In fact since the establishment of the City of Hume and the operation of the economic development team a number of manufacturing operations have departed Sunbury. The City of Hume was not able to prevent their departure.

Therefore it can be seen that the exclusion of Melbourne airport from the Shire of Sunbury will not impact on the services provided by the new Shire of Sunbury.

Another concern we have is what would occur to existing contracts whether in house and external.

Continuation of contracts will be determined by elected Council

Response

We have proposed that the Shire of Sunbury be established in a planned and orderly manner with arrangements put in place for the continuation of all existing contracts until they expire.

On the expiry of the contracts the two municipalities would then have the opportunity to determine what joint arrangements if any would then be put in place.

We are aware that to achieve this interim outcome the two municipalities will need to work in a cooperative manner. Also the Shire of Sunbury would contribute to the cost of administering the contracts.

Our members find it difficult to understand that people pushing this issue (separation) would want to retain Hume as a service provider when they are critical of the Hume council

Response

We have proposed this approach as an interim arrangement to ensure a planned and orderly separation. The arrangements will avoid the disruption and costs that occur when inappropriate restructuring processes are applied.

This arrangement will reduce any impact on staffing and provide time for the new arrangements to be put in place.

However, there may be the opportunity for some changing of the level of service provided within these interim arrangements to address service problems identified. However, once the contracts expire new arrangements would be put in place.

Also with the introduction of *best value* into local government councils have to review how they provide all services to ensure best value. This may in itself result in changes in the arrangements for the provision of services as the City of Hume contracts expire.

It is our view that a likely outcome would be that a Sunbury based council would not want to provide outdoor physical services

Response

We would expect the Shire of Sunbury will in fact be more likely to directly employ its staff including its outdoor works teams due to the relatively smaller numbers and the compact nature of the new Shire.

They would have the added cost of providing a suitable depot facility in Sunbury.

The main issue for our members would be the fact that there is not a suitable depot facility at Sunbury to accommodate the plant and equipment required to provide the necessary physical services

There is a large Council works depot in Sunbury, which is available to be used immediately by the new Shire of Sunbury. This was the central works depot for the Shire of Bulla.

The depot in Sunbury is more than large enough to accommodate all the needs of the new Shire of Sunbury and in fact provides an opportunity to lease out part of it to generate income, which can further support the activities of the new Shire.

Also it must be again noted that currently some of the council work teams and vehicles some of which are located in Sunbury and travel to Camberfield a distance of 32 km from Sunbury to report in and then return to Sunbury to undertake works, a round trip of 64 km and one hour in travelling time. This process is repeated again at the conclusion of the working day. This again demonstrates the inefficiencies of the current municipal arrangements.

Another potential impact is that of tourism, a larger municipality such as Hume has far more potential than a smaller council to market the growth of tourism.

We believe the total reverse is in the fact the case. The Shire of Sunbury will be in a far better position to promote tourism. It will clearly identify with the broader Macedon Ranges region and link with the tourism opportunities this offers.

The Shire of Sunbury council will have an intimate knowledge of the Shire and the Macedon Ranges regions and its opportunities than a metropolitan based municipality with the major of its area, councillors and staff located in a completed different region. The staff and councillors of the Sunbury based council will far better identify and understand the local region and its opportunities and in turn support the community and business in its efforts to promote the tourism opportunities it provides.

Also the City of Hume is one of the most geographic diverse and complex municipality covering a broad area which makes it difficult for the City of Hume to understand and develop the tourism opportunities.

We strongly believe that the new Shire of Sunbury will in fact enhance the promotion of tourism opportunities in the Sunbury region and better tap into and develop the community and business commitment to this activity.

If jobs were outsourced, this would possibly have an economic impact on the Sunbury small business community. Many of the Hume employees are local, our industry experience highlights that local contractors who would more than likely be employing locals, are generally not successful in winning contracts.

Response

As the Shire of Sunbury will be smaller and more compact municipality than the broad complex City of Hume, when the Shire of Sunbury does calls for contracts they will generally be smaller in size than those of the City of Hume and therefore more attractive to the local small contractors. Also the contracts will be for services in the local area again increasing the interest by local contractors.

Also the Sunbury Chamber of Commerce has made it clear that since the mergers the Sunbury area has not gained much of the City of Hume's commercial business which has directly impacted on the local business community with many contracts and services awarded to contractors outside of the municipality.

The Shire of Sunbury will provide substantial direct economic benefits to the Sunbury commercial base through the likelihood of increased contracts going to local businesses and the location of increased staff in the Sunbury area (including outdoor staff).

Social impact

Our members believe that any break-up of the services (community services) would be detrimental to the community

This would be undertaken in a planned and orderly manner with the delivery of services continuing in the interim on the current basis. In developing the new arrangements increased emphasis can be placed on enhancing the actual delivery of services and less on the need to provide resources for the coordination of services across the current broad diverse and complex municipality.

Employee staff preference may well be to stay with the larger council due to future career opportunities

Response

We believe based on our discussions with existing and previous staff that sufficient staff will seek to transfer to the new municipality particularly those who work with the former Shire of Bulla. Also due to the proposed orderly and planned process over a 6 to 12 month period issues can be addressed and staff therefore have time to fully consider their options.

The new Shire of Sunbury in fact provides existing staff with new career opportunities and also the opportunity to relocated closer to their homes.

Also the City of Hume's rate of growth and staff turnover will provide added flexibility to address this issue. The City of Hume will also remain one of the largest municipalities in Victoria, which may be attractive to some employees.

Also we have been advised that the ASU has not undertaken any broad consultation of staff to determine the staff position on this matter.

TERMS OF REFERENCE 2

There will be increased redundancies

Response

The Shire of Sunbury will be more compact and will be in a far better position to effectively directly manage its operation including registry and outdoor operations. We expect that it will therefore be more likely to directly employ its staff on an ongoing basis than using contract arrangements.

We therefore do not expect any increase in outsourcing in fact there would probably be an increase in the use of using ongoing staff as existing contracts expire.