



Southern Grampians
SHIRE COUNCIL

Council Meeting Minutes

Ordinary Meeting
11 April 2018

Held at 5.30pm in the Council
Chambers at 5 Market Place, Hamilton

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1. Present

Councillors

Cr Chris Sharples – Deputy Mayor
Cr Cathy Armstrong
Cr Albert Calvano
Cr Colin Dunkley
Cr Greg McAdam
Cr Katrina Rainsford

Officers

Mr Michael Tudball – Chief Executive Officer
Ms Evelyn Arnold – Director Community and Corporate Services
Mr Michael McCarthy - Director Shire Futures
Ms Tania Quinn – Council Support Officer

2. Acknowledgement of Country

The Deputy Mayor, Cr Sharples, read the acknowledgement of country –

“Our meeting is being held on the traditional lands of the Gunditjmarra, Tjap Wurrung and Bunganditj people.

I would like to pay my respects to their Elders, past and present, and the Elders from other communities who may be here today.”

3. Prayer

Cr Dunkley led the meeting in a prayer.

4. Apologies

Cr Mary-Ann Brown, Mayor and Mr David Moloney, Director Shire Infrastructure

5. Confirmation of Minutes

RECOMMENDATION

That the Minutes of the Ordinary Meeting of Council held on 14 March 2018 be confirmed as a correct record of business transacted.

COUNCIL RESOLUTION

MOVED: Cr Rainsford

SECONDED: Cr Calvano

That the Minutes of the Ordinary Meeting of Council held on 14 March 2018 be confirmed as a correct record of business transacted.

CARRIED

6. Declaration of Interest

There were no interests declared on tonight's agenda.

7. Questions on Notice

There were no Questions on Notice listed on tonight's agenda.

8. Public Deputations

There were no Public Deputations listed on tonight's agenda.

9. Records of Assemblies of Councillors

Written records of Assemblies of Councillors must be kept and include the names all Councillors and members of Council staff attending the meeting, the matters considered, any conflicts of interest declared and when the person/s with a conflict left and returned to the meeting.

Pursuant to section 80A (2) of the Act, these records must be, as soon as practicable, reported at an ordinary meeting of the Council and incorporated in the minutes of that meeting.

Section 3 of the Local Government Act 1989 defines as Assembly of Councillors as:

1. A meeting of an advisory committee of the Council, if at least one Councillor is present; or
2. A planned or scheduled meeting of at least half of the Councillors and one member of Council staff;

which considers matters that are intended or likely to be:

- a) The subject of a decision of the Council; or
- b) Subject to the exercise of a function, duty or power of the Council that has been delegated to a person or committee.

As there are some meetings which may or may not be classed as an Assembly of Councillors depending on who is present and the topics that are discussed Southern Grampians Shire Council records these meetings as an Assembly of Councillors to ensure that transparency in relation to these meetings is publicised.

An Assembly of Councillors record was kept for:

- Tarrington Community Engagement Meeting – 9 February 2018
- Hamilton Draft Budget Session – 5 March 2018
- Cavendish Draft Budget Session – 13 March 2018
- Council Briefing Session – 14 March 2018
- Dunkeld Draft Budget Session – 26 March 2018
- Hamilton Draft Budget Session – 27 March 2018
- Industry Visits – 28 March 2018
- Council Briefing Session – 28 March 2018

This agenda was prepared on 4 April 2018. Any Assemblies of Councillors between that date and the date of tonight's Meeting will appear in the agenda for the next Ordinary Meeting of Council.

RECOMMENDATION

That the record of the Assembly of Councillors be noted and incorporated in the Minutes of this Meeting.

COUNCIL RESOLUTION

MOVED: Cr McAdam
SECONDED: Cr Dunkley

That the record of the Assembly of Councillors be noted and incorporated in the Minutes of this Meeting.

CARRIED

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Tarrington Community Engagement Session
Date:	9 February 2018
Location:	Tarrington Community Park (Oval)
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Colin Dunkley Cr Katrina Rainsford Cr Greg McAdam
Council Staff in Attendance:	Michael Tudball, CEO Evelyn Arnold, Director Community and Corporate Services Michael McCarthy, Director Shire Futures David Moloney, Director Shire Infrastructure Lachy Patterson, Manager Community Relations Melanie Russell, Community Engagement Coordinator Jane Coshutt, Community Engagement Coordinator

The Assembly commenced at 6.00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Community Park (increase usage & facility upgrade).	Nil
2	Walking track upgrade	Nil

The Assembly concluded at 8.00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Hamilton Draft Budget Session
Date:	5 March 2018
Location:	Hamilton Library
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Colin Dunkley Cr Albert Calvano Cr Katrina Rainsford Cr Greg McAdam
Council Staff in Attendance:	Michael Tudball, CEO Evelyn Arnold, Director Community and Corporate Services Michael McCarthy, Director Shire Futures David Moloney, Director Shire Infrastructure Alison Quade, Strategic Communications Coordinator Jane Coshutt, Community Engagement Coordinator

The Assembly commenced at 6.00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Budget processes, achievements, planned 2018 / 19 projects and initiatives.	Nil

The Assembly concluded at 7.00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Draft Budget Session - Cavendish
Date:	13 March 2018
Location:	Bunyip Hotel Cavendish
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Albert Calvano Cr Cathy Armstrong Cr Colin Dunkley Cr Katrina Rainsford Cr Greg McAdam
Council Staff in Attendance:	Michael Tudball, CEO Evelyn Arnold, Director Community and Corporate Services David Moloney, Director Shire Infrastructure Melanie Russell, Community Engagement Coordinator Jane Coshutt, Community Engagement Coordinator

The Assembly commenced at 6.00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Budget processes, achievements, planned 2018 / 19 projects and initiatives.	Nil

The Assembly concluded at 7.00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Council Briefing Session
Date:	14 March 2018
Location:	Martin J Hynes Auditorium
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Cathy Armstrong Cr Albert Calvano Cr Colin Dunkley Cr Greg McAdam Cr Katrina Rainsford
Council Staff in Attendance:	Michael Tudball, Chief Executive Officer Evelyn Arnold, Director Community and Corporate Services Michael McCarthy, Director Shire Futures David Moloney, Director Shire Infrastructure Russell Bennett, Manager Business Systems

The Assembly commenced at 1:00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Melville Oval Netball Courts	Nil
2	Capital Works and Major Projects	Nil
3	Bridge Program Review	Nil
4	Microsoft Licencing	Nil
5	Service Level Project	Nil
6	Harman's Valley Panel and Mapping	Nil

The Assembly concluded at 5:00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Draft Budget Session - Dunkeld
Date:	26 March 2018
Location:	Dunkeld Community Centre
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Albert Calvano Cr Colin Dunkley Cr Katrina Rainsford Cr Greg McAdam
Council Staff in Attendance:	Michael Tudball, CEO Evelyn Arnold, Director Community and Corporate Services David Moloney, Director Shire Infrastructure Michael McCarthy, Director Shire Futures Lachy Patterson, Manager Community Relations Eda Williamson, L2P Project Officer

The Assembly commenced at 6.00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Budget processes, achievements, planned 2018 / 19 projects and initiatives.	Nil

The Assembly concluded at 7.00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Hamilton Draft Budget Wrap-Up Session
Date:	27 March 2018
Location:	Hamilton Library
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Albert Calvano Cr Colin Dunkley Cr Katrina Rainsford Cr Greg McAdam
Council Staff in Attendance:	Michael Tudball, CEO Evelyn Arnold, Director Community and Corporate Services Jane Coshutt, Community Engagement Coordinator

The Assembly commenced at 6.00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Budget processes, achievements, planned 2018 / 19 projects and initiatives.	Nil

The Assembly concluded at 7.00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Industry Visits
Date:	28 March 2018
Location:	Various
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Cathy Armstrong Cr Colin Dunkley Cr Greg McAdam Cr Katrina Rainsford
Council Staff in Attendance:	Evelyn Arnold, Director Community and Corporate Services Michael McCarthy, Director Shire Futures Peter Johnson, Business Development Officer

The Assembly commenced at 11:00am

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Pierrepont Wineries	Nil
2	Good Shepherd Lutheran Secondary College	Nil

The Assembly concluded at 1:00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Council Briefing Session
Date:	28 March 2018
Location:	Martin J Hynes Auditorium
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Cathy Armstrong Cr Albert Calvano Cr Colin Dunkley Cr Greg McAdam Cr Katrina Rainsford
Council Staff in Attendance:	Michael Tudball, Chief Executive Officer Evelyn Arnold, Director Community and Corporate Services Michael McCarthy, Director Shire Futures Sarah Schmidt, Director Hamilton Gallery Lachy Patterson, Manager Community Relations Rhassel Mhasho, Manager Planning and Regulatory Services Hugh Koch, Manager Economic Development and Tourism

The Assembly commenced at 1:00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Gallery Scoping Study and Building Foundation	Nil
2	Greater Grants Round 2	Nil
3	Building Service Review	Nil
4	Capital Works Report	Nil
5	Fleet Purchases	Nil

6	Agricultural Investment Program	Nil
7	Hamilton Art Prize Proposal	Nil

The Assembly concluded at 5:00pm

10. Management Reports

10.1 June 2018 Council Meeting Date Change

Directorate: Michael Tudball, Chief Executive Officer
Author: Michael Tudball, Chief Executive Officer
Attachments: None.

Executive Summary

At its Meeting on 8 November 2017, Council set the Council Meeting Dates for the following year.

The Great South Coast Regional Partnership has recently announced that Southern Grampians Shire will host the Great South Coast Regional Assembly on Wednesday 13 June 2018, being the June Ordinary Meeting of Council.

It is therefore recommended that Council reschedule the date of the June 2018 Ordinary Meeting of Council from Wednesday 13 June 2018 to Thursday 14 June 2018.

Discussion

The Great South Coast Regional Partnership is one of nine such Partnerships across the state, established by the Victorian Government.

Each of the Regional Partnerships hold a Regional Assembly in their region each year, with the date being set by the Victorian Government.

This year, the Great South Coast Regional Assembly has been scheduled for Wednesday 13 June 2018 in Hamilton, which falls on an Ordinary Meeting of Council.

Due to this conflict, it is recommended that the June 2018 Ordinary Meeting of Council be rescheduled from Wednesday 13 June 2018 to Thursday 14 June 2018.

Financial and Resource Implications

There are no Financial and Resource Implications identified.

Legislation, Council Plan and Policy Impacts

Local Government Act 1989.

Risk Management

Hosting of the Regional Partnership provides the opportunity to showcase Hamilton and Southern Grampians Shire to around 300 invited guests including State Government Ministers and Members of Parliament, all Great South Coast Council Mayors, Councillors and CEO's along with Community Leaders.

There are no direct or foreseen risks in agreeing to host this event and therefore transfer the scheduled Council Meeting and associated briefings in the afternoon preceding the meeting.

Environmental and Sustainability Considerations

There are no Environmental and Sustainability Considerations identified.

Community Consultation and Communication

The rescheduled date will be updated on Council's website, along with a Public Notice in the Hamilton Spectator.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That the June 2018 Ordinary Meeting of Council be rescheduled from Wednesday 13 June 2018 to Thursday 14 June 2018 at 5.30pm in the Council Chambers, 3 Market Place, Hamilton.

COUNCIL RESOLUTION

MOVED: Cr Calvano
SECONDED: Cr Rainsford

That the June 2018 Ordinary Meeting of Council be rescheduled from Wednesday 13 June 2018 to Thursday 14 June 2018 at 5.30pm in the Council Chambers, 3 Market Place, Hamilton.

CARRIED

10.2 Infrastructure Design Manual

Directorate: David Moloney, Director Shire Infrastructure
Author: Aten Kumar, Manager Assets
Attachments: 1. IDM Version 5.10
2. IDM Standard Drawings

Executive Summary

The purpose of this report is for Council to consider adoption of the Infrastructure Design Manual (IDM). The IDM will provide consistent requirements and standards for the design and development of infrastructure within the Shire.

The IDM is a manual developed by 44 rural councils across Victoria under a members group called the Local Government Design Association to standardise design and development infrastructure requirements. The technical documents are reviewed by a technical committee to ensure all designs are relevant and up to date.

At the Ordinary Council Meeting on 13 December 2017, Council resolved to give public notice under section 223 of the Local Government Act 1989 of its intention to adopt the IDM and invite submissions for a period of 28 days and that a further report be presented to Council after the notice period had expired.

The 28 day submission period expired on 22 January 2018 and no submissions were received.

It is recommended that Council having received no submissions in respect of the proposed IDM resolves to adopt the IDM.

Discussion

In September 2004 the Campaspe Shire Council, Greater Shepparton City Council and Greater Bendigo City Council agreed to work together to develop a common engineering manual documenting infrastructure standards across the three municipalities. The outcome of this work is the IDM.

Council has been a paid member of the Local Government Infrastructure Design Association since 2011 and used the design standards and guidelines from the IDM since then.

It was designed to clearly document and standardise Council requirements for the design and development of municipal infrastructure regardless of whether it is constructed by Council or a developer. The IDM aims to also expedite Council engineering approvals and ensure that minimum design criteria are met.

It will assist developers, surveyors, consulting engineers, planners and Council staff in the preparation and review of plans and engineering documentation to facilitate subdivisional development in the municipality. The document, if adopted, will be published on Council's website as a reference document for all users. It will ensure Council staff have a consistent approach to infrastructure maintenance and operations across its work force.

The manual has been adopted by approximately 44 regional councils across Victoria and has become the regional standard for infrastructure design and development in Regional Victoria. A longer term aim of the Victorian Government is for a standardised Infrastructure Design

Manual to be used across the State under the guidance of the Infrastructure Design Standards Board.

The primary objectives of the manual include:

- **Accountability**-Provide a better defence at the Victorian Civil Appeals Tribunal (VCAT) when the design requirements have been developed and adopted by a number of municipalities.
- **Collaboration**-Share financial and human resources to produce an Infrastructure Design Manual which will satisfy the requirements of each of the participating municipalities.
- **Consistency**-Develop more consistency amongst design requirements for Consultants and Developers working in the participating municipalities.
- **Quality**-Sharing of ideas and practices among the municipalities to adopt the best practice.
- **Documentation** To clearly document participating Council's requirements for the design and development of infrastructure.

The adoption of IDM has many advantages to Council, however to give it statutory weight, Council is advised to make reference to the IDM in its Municipal Strategic Statement. This will ensure, in the event of a challenge of any aspect of the IDM at VCAT Council has "ownership of the standards and objectives" included in the manual. In an appeal, it is VCAT's role to interpret the contents of the Planning Scheme and a reference to the IDM will lend support to Council's adopted standards.

Financial and Resource Implications

The annual cost of developing and maintaining the IDM through the Infrastructure Design Standards Board is \$3,000.

Legislation, Council Plan and Policy Impacts

Local Government Act 1989.
Planning and Environment Act 1987.
Subdivision Act 1988.
Southern Grampians Planning Scheme.

Risk Management

There is no anticipated physical or environmental risk associated with the adoption of the IDM. It would not impact construction practices and methodology currently being undertaken.

The adoption of the IDM will assist developers, surveyors, consulting engineers, planners and Council staff in the preparation and review of plans of subdivision and engineering documentation to facilitate subdivisional development in the municipality.

Environmental and Sustainability Considerations

The use of the IDM will provide clarity to Council, Council staff, developers and planning permit applicants of the minimum infrastructure design requirements for the Shire. It will assist with faster responses to planning and subdivision referrals and ensure a consistent approach and standards to infrastructure development across the Shire.

Community Consultation and Communication

A public notice will be placed in Saturdays edition of the local newspaper and a media release will be developed following Council's decision. Copies of the adopted IDM were made available on Council's website, at Market Place and Brown Street Customer Services Centres.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this report affirm that no direct or indirect interests need to be declared in relation to any matters in this report.

RECOMMENDATION

That Council adopt the Infrastructure Design Manual.

COUNCIL RESOLUTION

MOVED: Cr Dunkley
SECONDED: Cr Armstrong

That Council adopt the Infrastructure Design Manual.

CARRIED

10.3 Supply and Delivery of One Wheel Loader

Directorate: David Moloney, Director Shire Infrastructure
Author: David Basil, Manager Works
Attachments: None

Executive Summary

The Southern Grampians Shire Council's 2017/18 Plant replacement program ensures an effective and efficient service delivery to renew Council's ageing assets parallel to Councils Long Term Financial Plan.

Council's Works Department currently operate wheel loaders within the fleet that are integral to our road construction and maintenance works programs throughout the Shire. Specialist plant is required to deliver this service, Wheel Loader Plant ID: 27 was commissioned 15 years ago and has exceeded its industry lifecycle expectation. It was forecast to renew this item during the 2017/18 financial year.

Discussion

Councils Fleet Plant ID: 27 was purchased as a multi-function plant item that could perform tasks during various works programs including emergency works.

The works vary and include from stack site clean ups, loading of road making material into trucks, tree clearing and kerb and channel maintenance. These tasks are carried out across all the shire worksites.

The current wheel loader operates on a daily basis and whilst it is generally based in the in Dunkeld and Peshurst areas it can be called upon to operate across any part of the shire to assist with the works program.

The wheel loader was purchased in April 2003 with an expected industry life cycle of 8-10 years. The wheel loader is in a good condition for its age but is now in the high risk category for a major componentry failure if it is continued to be used for any prolonged period.

Council has engaged with the Municipal Association of Victoria (MAV) with contract access to Vendor Panel to assist with the purchase. Council seek to be advantaged by the use of MAV Vendor Panel Contract - MAV NPN 2.15 Plant, Machinery & Equipment.

In consultation with relevant Council staff and the guidance of Council's Procurement Officer, Council sought a request for quotation (RFQ) from the Panel Suppliers of the contract through MAV Vendor Panel, for the Supply and Delivery of one wheel loader.

To assist with the evaluation and recommendation, all submissions were weighted in accordance to the RFQ.

Tendered Price 40%

Specifications 20%

Demonstrated Performance 30%

Environmental 10%

Council has received 8 submissions from 4 Suppliers.

5 submissions did not meet specification as the requirement was for a Tier 4 Emission Level and 80kW of engine power wheel loader.

Weightings		Yes/No	50%	50%	
Make & Model	Tenderer	Specification Conformance	Tendered Price	Qualitative	Total
Volvo L50H	CJD Equipment	Yes	8.62		66.10
			\$253,136		
			43.10	23.00	
DISCUSSION		Unable to field evaluate as the next available machines were not due to arrive in Australia until the end of March 2018			
JCB 417HT	JCB Construction Equipment	Yes	10.00		88.20
			\$218,100		
			50.00	38.20	
DISCUSSION		Very spacious cabin with a good 360 degree view from operational position. Engine noise both external and internal particularly internal was very low and quite noticeable by the field evaluation team			
Caterpillar - 918M	William Adams	Yes	8.03		63.20
			\$271,590		
			40.50	23.00	
DISCUSSION		Unable to field evaluate as the next available machine would be on order only and currently is 26 weeks away from delivery			
Case 521F	Case Victoria	No			
DISCUSSION		Did not meet specification minimum of Tier 4 emission level. Only a Tier 2 was tendered			
Caterpillar 914K (operating weight of 7169kg)	William Adams	No			
DISCUSSION		Did not meet specification minimum of 80Kw power rating, only a 73Kw machine was tendered			
Caterpillar 914K (operating weight of 8126kg)	William Adams	No			
DISCUSSION		Did not meet specification minimum of 80Kw power rating, only a 73Kw machine was tendered			
Caterpillar 924K	William Adams	No			
DISCUSSION		Did not meet specification minimum of Tier 4 emission level. Only a Tier 3 was tendered			
Caterpillar 924K (2015 model)	William Adams	No			
DISCUSSION		Did not meet specification minimum of Tier 4 emission level. Only a Tier 3 was tendered. Machine offered was also not brand new as metered hours were on the clock			

Financial and Resource Implications

Council resolved and adopted the 2017/18 Plant Replacement Program with an annual budget resource of \$1.9m Incl. GST. The purchase of this new Wheel Loader is within Council's adopted budget.

Legislation, Council Plan and Policy Impacts

Councils June 2011 Asset Management Plan, appendix 6. Lifecycle Management Plan, sub appendix 6.2 through to 6.3.7.

Procurement section 186 1989 Local Government Act linked to Council's Procurement Policy.

Risk Management

Council as the employer have a legal responsibility under the Occupational Health and Safety Act 2004, sub appendix P.35 Plant, to have access to safe Plant and Machinery. Section 21.1 of the Occupational Health and Safety Act states, an employer must, as so far as reasonably practical, provide and maintain for employees of the employer a working environment that is safe and without risk to health.

Commissioning Plant and/or machinery that exceeds industry lifecycles increases the risk of providing an unsafe working environment to employees.

Operating costs increase due to aging equipment, worn componentry and higher maintenance programs. Aging equipment returns increased downtime, resulting in loss of productivity.

Environmental and Sustainability Considerations

Plant Management and Operations looks favourably upon manufacturers with designs that meet and exceed Australian Green House Emissions ratings.

While on-road diesel engines sold in Australia, such as highway registered trucks and buses, are regulated to meet strict emission limits, there are no regulations or standards in place (as of yet) to control emissions from non-road diesel engines. For this tender Council's requirement was Tier 4 level.

Community Consultation and Communication

Submitters will be notified by the Procurement Officer of the decision made by Council at the Ordinary Council Meeting held on 11 April 2018.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this report affirm that no direct or indirect interests need to be declared in relation to any matters in this report.

RECOMMENDATION

That Council:

1. Accept the submission from JCB Ballarat for the GST inclusive sum of \$218,100.00 plus on road costs
2. That the contract documents be signed and sealed when prepared.

COUNCIL RESOLUTION

MOVED: Cr McAdam
SECONDED: Cr Rainsford

That Council:

1. **Accept the submission from JCB Ballarat for the GST inclusive sum of \$218,100.00 plus on road costs**
2. **That the contract documents be signed and sealed when prepared.**

CARRIED

10.4 Supply and Delivery of One (1) New Backhoe

Directorate: David Moloney, Director Shire Infrastructure
Author: David Basil, Manager Works
Attachments: None

Executive Summary

The Southern Grampians Shire Council's 2017/18 Plant replacement program ensures an effective and efficient service delivery to renew Councils ageing assets parallel to Councils Long Term Financial Plan.

Councils Work's Department currently operate backhoes within the fleet that are integral to our road construction and maintenance works programs throughout the Shire. Specialist Plant is required to deliver this service, Backhoe Plant ID: 146 was commissioned over 11 years ago and has exceeded its industry lifecycle expectation. It was forecast to renew this item during the 2017/18 financial year.

Discussion

Councils Fleet Plant ID: 146 was purchased as a multi-function plant item that could perform tasks during various works programs and emergency works.

The works vary and include table drain maintenance, footpath construction, loading of road making material into trucks, tree clearing and kerb and channel maintenance. These tasks can be carried out across all the shire worksites.

The current backhoe operates on a daily basis and whilst it is generally based in Hamilton it can be called upon to operate across any part of the shire to assist with the works program.

The backhoe was purchased in February 2007 with an expected industry life cycle of 8 years. The backhoe is in a fair to good condition for its age but is now in the high risk category for a major componentry failure if it is continued to be used for any prolonged period.

Council has engaged with the Municipal Association of Victoria (MAV) with contract access to Vendor Panel to assist with the purchase. Council seek to be advantaged by the use of MAV Vendor Panel Contract - MAV NPN 2.15 Plant, Machinery & Equipment.

In consultation with relevant Council staff and the guidance of Council's Procurement Officer, Council sought a request for quotation (RFQ) from the Panel Suppliers of the contract through MAV Vendor Panel, for the Supply and Delivery of One new backhoe.

To assist with the evaluation and recommendation, all submissions were weighted in accordance to the RFQ.

Tendered Price 40%
Specifications 20%
Demonstrated Performance 30%
Environmental 10%

Council has received 3 submissions from 3 Suppliers.
1 submission did not meet specification as the requirement was for a Tier 4 Emission Level.

It is the unanimous decision of the Evaluation Panel that:

The tender is awarded to JCB Construction Ballarat

Backhoe	\$169,400.00
Plus Options:	
Atlas Scale System	\$7,200.00
Groeneveld System	\$17,000.00
Backhoe Bucket 300mm Trench	\$1,400.00
Backhoe Bucket 900mm Trench	\$1,650.00
Backhoe Bucket 1200mm Mud with Bolt on Edge	\$1,800.00
Hydraulic Quick Hitch Backhoe End	\$6,000.00

Total Price \$204,450.00 inclusive of GST

Weightings		Yes/No	40%	60.00	
Make & Model	Tenderer	Specification Conformance	Tendered Price	Qualitative	Total
JCB - 3CX Elite	JCB Construction Equipment	Yes	9.32		81.60
			\$169,400		
			37.30	44.30	
DISCUSSION		Council currently own this unit and relevant staff were asked to rate the performance internally. Generous amount of cabin space for the operator. Road speed was good at approx. 50kph.			
Case - 580ST	Case Victoria	Yes	10.00		77.90
			\$157,850		
			40.00	37.50	
DISCUSSION		Very tight cabin/operator positioning in backhoe mode. Road speed (approx 39kph) was considered low as there are requirements to drive the machine to jobs. Hydraulic hoses were exposed and protruding from the top of the knuckle boom which would be a major issue around tree works. External mirrors were positioned in entry and exit points of the cabin causing operators to collide with them.			
Caterpillar - 432F2	William Adams	No			0.00
DISCUSSION		Did not evaluate further due to specification requesting a Tier 4 emission level, only a Tier 3 machine was tendered			

Financial and Resource Implications

Council resolved and adopted the 2017/18 Plant Replacement Program with an annual budget resource of \$1.9m Incl. GST. The purchase of this new backhoe is within Council’s adopted budget.

Legislation, Council Plan and Policy Impacts

Council’s June 2011 Asset Management Plan, appendix 6. Lifecycle Management Plan, sub appendix 6.2 through to 6.3.7. Procurement section 186 1989 Local Government Act linked to Councils Procurement Policy.

Risk Management

Council as the employer has a legal responsibility under the Occupational Health and Safety Act 2004, sub appendix P.35 Plant, to have access to safe Plant and Machinery. Section 21.1 of the Occupational Health and Safety Act states, an employer must, as so far as reasonably practical, provide and maintain for employees of the employer a working environment that is safe and without risk to health.

Commissioning plant and/or machinery that exceeds industry lifecycles increases the risk of providing an unsafe working environment to employees.

Operating costs increase due to aging equipment, worn componentry and higher maintenance programs. Aging equipment returns increased downtime, resulting in loss of productivity.

Environmental and Sustainability Considerations

Plant Management and Operations looks favourably upon manufacturers with designs that meet and exceed Australian Green House Emissions ratings.

While on-road diesel engines sold in Australia, such as highway registered trucks and buses, are regulated to meet strict emission limits, there are no regulations or standards in place (as of yet) to control emissions from non-road diesel engines. For this tender Council's requirement was Tier 4 level.

Community Consultation and Communication

Submitters will be notified by the Procurements Officer of the decision made by Council at the Ordinary Council Meeting held on 11 April 2018.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That Council:

1. Accept the submission from JCB Ballarat for the GST inclusive sum of \$204,450.00 plus on road costs
2. That the contract documents be signed and sealed when prepared.

COUNCIL RESOLUTION

MOVED: Cr McAdam
SECONDED: Cr Armstrong

That Council:

1. **Accept the submission from JCB Ballarat for the GST inclusive sum of \$204,450.00 plus on road costs**
2. **That the contract documents be signed and sealed when prepared.**

CARRIED

10.5 Review of 2017-2018 Capital Program

Directorate: David Moloney, Director Shire Infrastructure
Author: David Moloney, Director Shire Infrastructure
Attachments: None

Executive Summary

The capital program forms a significant proportion of Council's budget. In 2017-2018, over \$18M was allocated to capital works projects across the Shire. This report indicates the progress to date on the capital works program. Assessments of the capital program delivery is to the 31st March 2018, and compares actual and forecast targets.

Southern Grampians Shire Council has delivered 136 projects to date with a further 72 currently under way and with the peak construction period expected to continue until the middle of May. There is currently 18 projects which are deferred due to various reasons.

This report is for noting by the Council.

Discussion

The capital program forms a significant proportion of Council's budget. In 2017-2018, has over \$18M allocated to capital works projects across the Shire. The works included:

- Road and Bridge Upgrades
- Footpaths
- Playgrounds
- Building Maintenance
- Art Gallery/PAC Maintenance
- Library
- Culverts
- Kerb and Channel
- Recreation Centres and Facilities
- Cox St Upgrade
- Industrial Land Project
- Landfill
- Livestock Exchange Project Stage 1 and 2

The aim of the capital program is to provide targeted funding on projects to maintain or improve Council's infrastructure, assets and services.

The review of the program is important to ensure the projects are delivered. This report looks at the progress of the 2017-2018 capital program.

After Council adopted the 2017-2018 budget, Council Officers forecast the capital program for the following criteria:

1. Forecast project start date
2. Forecast project finish date
3. Forecast expenditure

Each month staff update the progress of their projects and charts are developed to monitor the progress of the program.

Time

The 2017-2018 Budget listed Over 310 projects up from 253 in the previous financial year, to be delivered across the range of areas listed above. These projects range from \$2,000 to \$2.5M.

Figure 1 Projects by Directorate, indicates the allocation of projects by directorate.

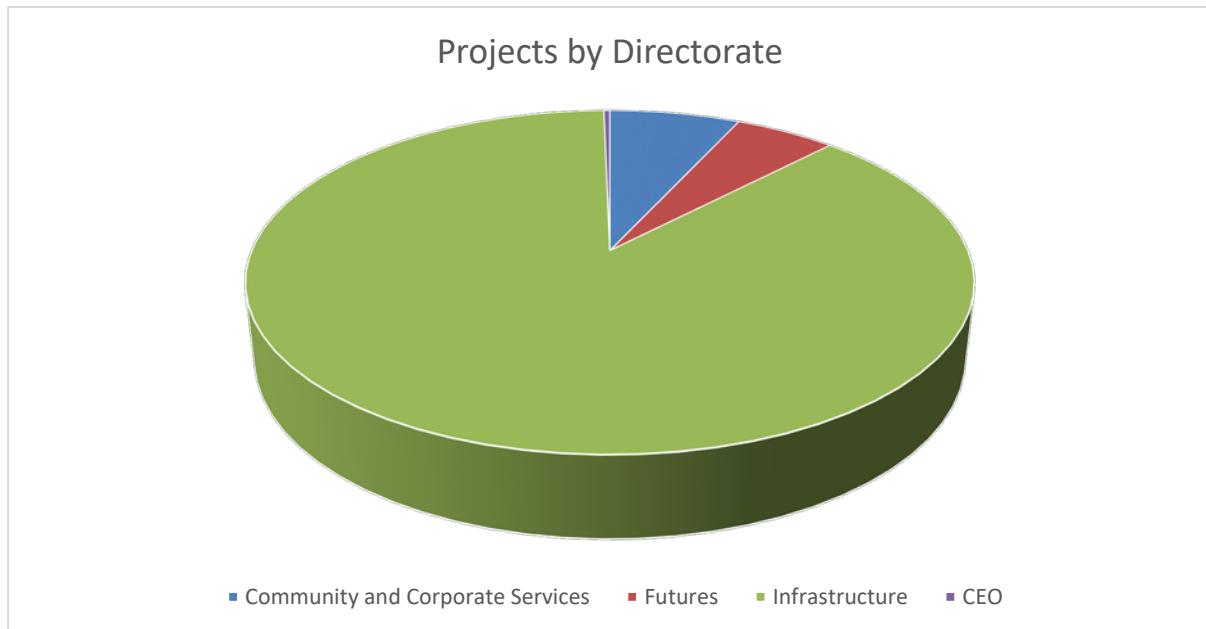


Figure 1 Projects by Directorate

Figure 2 Project Start Dates, shows a comparison between the forecast start date for projects and the actual start dates for projects.

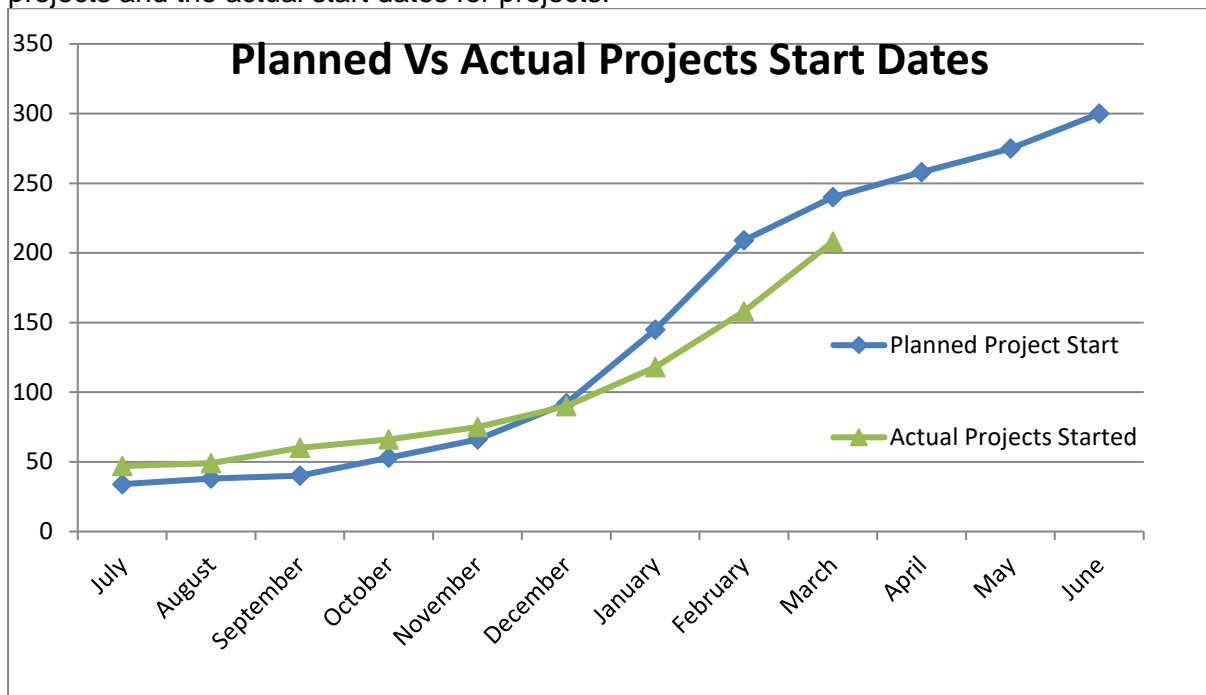


Figure 2 Project Start Dates

Figure 2 shows that Council is currently slightly under the target for projects to be started.

Figure 3 Project finish dates, show the forecast finish dates for projects against the actual finish dates. Figure 3 show the Council is currently running behind on the completion of projects.

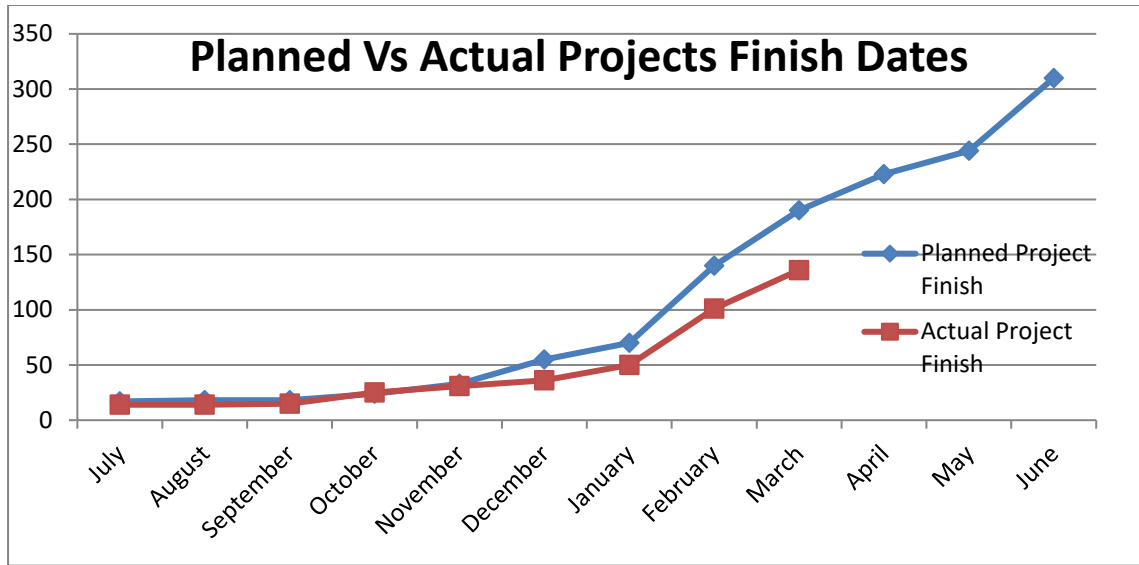


Figure 3 Project finish dates

Figure 4 Forecast Expenditure vs Actual Expenditure, shows the forecast expenditure vs the actual expenditure on projects. Figure 4 shows that expenditure is relatively low when compared to the forecast expenditure.

One explanation for this is that while projects have started there is a lag to when the costs are hitting the books. In the month of March the capital expenditure increased by \$1.164M from \$4.77M to \$5.934M. Since the last report to Council, \$2.948M has been spent on Capital works which is approximately double that of the first six months of this financial year.

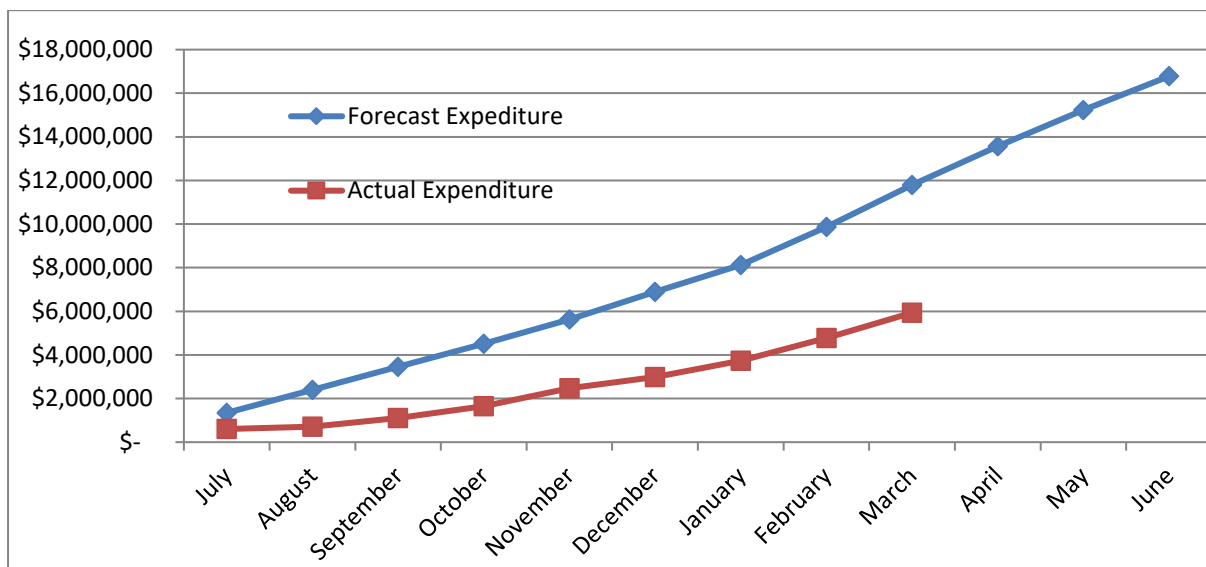


Figure 4 Forecast Expenditure vs Actual Expenditure

Project Status	Dec-17	Mar-18
Not Started	223	85
Started	90	208
Completed	36	136
Deferred	5	18

Figure 4 Project Status December vs March

Figure 4 Project Status December vs March, shows the change in projects status over the last three months. The number of started projects has increased by 118 and the number of completed projects has increased by 100.

Overall there has been significant progress made on the delivery of the Capital Program over the last three months which is to be expected as the capital program reaches its peak construction period.

Legislation, Council Plan and Policy Impacts

This report assists Council in meeting its obligations under the Local Government Act 1989.

This report also relates to the:

- Southern Grampians Shire Council – 2017-2021 Council Plan and;
- 2017-2018 Southern Grampians Shire Council Budget.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this report affirm that no direct or indirect interests need to be declared in relation to any matters in this report.

RECOMMENDATION

That the review of the progress of the 2017-2018 Capital Program is received by Southern Grampians Shire Council.

COUNCIL RESOLUTION

MOVED: Cr Dunkley
SECONDED: Cr McAdam

That the review of the progress of the 2017-2018 Capital Program is received by Southern Grampians Shire Council.

CARRIED

10.6 Greater Grants

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Lachy Patterson, Manager Community Relations
Attachments: None

Executive Summary

This report provides Council with information regarding community grant applications (Tourism and Events, Sustainability, Community Strengthening, Community Infrastructure, Arts and Culture categories) that have been recommended for Greater Grants program funding via the Greater Grants Assessment Team.

Discussion

The Greater Grants program was established to deliver Council grants that are responsive to the needs and opportunities of the community, inclusive and equitable to all, and one that facilitated the flexible delivery of key strategies identified within the Council Plan 2017-2021 across the social, economic and environmental spectrum.

This program consolidates Council's extensive range of grant opportunities into one program to enable better integration and co-ordination of grant administration and improved marketing of those grant opportunities.

Greater Grants assistance is considered for organisations, groups, committees and individuals with proposals that directly benefit the Southern Grampians Shire region. Applications are assessed using pre-determined evaluation criteria for each grant category taking into consideration strategic objectives within the Council Plan, other Council Strategies and Community Plans.

The Greater Grants program contains two rounds per year and applications are assessed using pre-determined evaluation criteria by the Greater Grants Common Assessment Team. The GGCAT also explore opportunities for leverage, collaboration and alternatives to achieve outcomes across the social, economic and environmental spectrum. Recommendations from the GGCAT are forwarded to the CPFPG for comment and endorsement.

Grant applications for amounts greater than \$2,500 are taken to Council for a resolution twice annually. Applications for \$2,500 or greater must demonstrate cash or in-kind contributions and must provide evidence of cash held, or applicants must be able to demonstrate their financial capacity. Any applicable Annual Operational Subsidies provided by Council are not to be used as the applicant's cash contribution toward the project.

The Director Community and Corporate Services is the delegated officer authorised to approve grant applications for amounts \$2,500 or less.

The current round of grants includes 10 grants above delegation totalling \$63,360 and 24 grants under delegation across the following categories (Tourism and Events, Sustainability, Community Strengthening, Community Infrastructure and Arts and Culture) totalling \$38,524.

These categories are listed in the table below with further information:

Grant Category	Annual Adopted Budget 2017-18	Grants Approved - Round 1	Amount Recommended - Round 2	Total 2017-18
Arts and Culture		1,500	4,310	5,810
Tourism and Events		21,487	21,014	42,501
Community Infrastructure		41,806	65,690	107,496
Community Strengthening		8,160	6,170	14,330
Sustainability		0	1,700	1,700
Heritage Restoration		2,000	3,000	5,000
TOTAL	\$188,000	\$74,953	\$101,884	\$176,837

Summary of grant applications – Round Two, 2018 Above delegation of \$2,500 = \$63,360

Category	Applicant	Project	Total Project Cost \$	Grant Requested \$	Grant Approved \$
Infrastructure	Coleraine Golf Club	Buggy Shed	33,000.00	10,000.00	10,000.00
Infrastructure	Branxholme Wallacedale FNC	Entry Door Upgrade	6,644.33	3,800.00	3,322.00
Infrastructure	HIRL	Maintenance Project	10,232.50	5,000.00	5,000.00
Infrastructure	Pastoral Museum	Site Plan	10,276.00	5,138.00	5,138.00
Infrastructure	Penshurst Hall	Heating/Cooling	10,000.00	5,000.00	5,000.00**
Infrastructure	Coleraine Pool	Solar Blanket	8,800.00	4,400.00	4,400.00
Infrastructure	Balmoral Bowling Club	Wet Area Redevelopment	45,515.00	15,000.00	15,000.00
Infrastructure	Penshurst Men's Shed	Toilet Upgrade	60,000.00	7,500.00	7,500.00**
Events	Western Alliance	Fifth Annual Symposium	17,000.00	5,000.00	5,000.00
Heritage and Culture	Dunkeld Progress Association	Chinese Wall Heritage Assessment	3,000.00	3,000.00	3,000.00

** Conditional on other external grant funding applications being successful.

Summary of grant applications – Round Two, 2018

Under delegation of \$2,500 = \$38,524

Category	Applicant	Project	Total Project Cost \$	Grant Requested \$	Grant Approved \$
Infrastructure	Dunkeld Progress Association	Refugee Support Group Signage	1,545.00	1,545.00	1,545.00
Infrastructure	Dunkeld Progress Association	Community Event Signs	400.00	400.00	400.00
Infrastructure	HIRL	Signage	2,300.00	2,300.00	2,300.00
Infrastructure	Yulecart Hall	Shade Structures	1,200.00	1,200.00	1,200.00
Infrastructure	Hamilton Pony Club	Equipment Trailer	2,500.00	2,500.00	2,500.00
Infrastructure	Hamilton Scouts	Heating/Cooling	6,885.00	2,385.00	2,385.00
Arts and Culture	Hamilton Pipes and Band	Bag Pipes	2,460.00	2,460.00	2,460.00
Arts and Culture	Trax Big Band	Music	550.00	550.00	550.00
Arts and Culture	Chameleon Arts	Circus Performance	1,630.00	600.00	600.00
Arts and Culture	North Hamilton Kindergarten	Indigenous Mural	1,000.00	700.00	700.00
Environment	Hamilton Pocket Garden	Earth Hour event	3,660.00	2,440.00	1,700.00
Events	Three Peaks Festival		13,000.00	1,500.00	1,500.00
Events	Coleraine Show		5,500.00	2,400.00	2,400.00
Events	NHK Junior Obstacle Race		9,000.00	2,000.00	2,000.00
Events	Coleraine Art and Photography Show		8,600.00	2,000.00	1,500.00
Events	Pastoral Museum 50 year rally		7,620.00	2,040.00	2,040.00
Events	Australian Pedal Car Grand Prix		10,000.00	2,500.00	2,500.00
Events	Million Paws Walk		1,874.00	1,574.00	1,574.00
Events	Lions Club Convention		42,937.00	2,500.00	2,500.00
Community Strengthening	TICNA	Overhead Projector	698.00	698.00	698.00
Community Strengthening	Hamilton Running Club	Set up new club	2,464.00	2,464.00	1,920.00
Community Strengthening	Rotary	Document Signing Centre	1,652.00	1,652.00	1,652.00

<i>Community Strengthening</i>	All Abilities Netball	Game Costs	2,276.00	2,276.00	400.00
<i>Community Strengthening</i>	Glenthompson RSL	Reunion	7,000.00	1,500.00	1,500.00

Financial and Resource Implications

The collaborative approach across Council grant categories opens opportunities for Council to work with the community to broaden the scope of ideas identified within applications to position these projects and or events to leverage external funding.

Applications for \$2,500 or greater must demonstrate cash or in-kind contributions and must provide evidence of cash held, or applicants must be able to demonstrate their financial capacity to complete the project.

The grant amount approved by Council cannot be increased post-funding approval. In the case of a funding shortfall, funding will not be made available by way of a Council loan.

Legislation, Council Plan and Policy Impacts

The Greater Grants Policy was adopted on 23 August, 2017.

Each Grant category requests that applicants ensure that their project or idea demonstrates a link to the Council Plan outcomes, or endorsed Strategic Plans of Council. Such plans include but are not limited to:

- Economic Development Strategy
- Tourism Strategic Plan
- Disability Action Plan
- Health and Wellbeing Strategy
- Sustainability Strategy
- Arts and Culture Strategy

The Greater Grants program assists Council to deliver on key outcomes of the Council Plan 2017-2021.

Outcome 1.1 Soundly Based Decisions:

- Strategy 1.1.2 Develop and enact policies, plans and strategies to ensure consistency in decision making
- Strategy 1.1.3 Demonstrate leadership through ethically, socially and environmentally responsible conduct
- Strategy 1.1.4 Work together to develop a highly responsive Council organisation

Outcome 1.3 Financial Responsibility and Security:

- Strategy 1.3.3 Maintain a continuous improvement approach to all Council operations

Outcome 2.3 A strong, innovative and distinctive tourism sector:

- Strategy 2.3.1 Attract conferences and events to the Shire and facilitate and enrich the local events program
- Strategy 2.3.2 Enhance, facilitate and promote existing and new experiences

Outcome 3.2 Community appreciation of and participation in Arts and Cultural activities:

Strategy 3.2.4 Encourage and support innovation in the arts

Outcome 4.2 A Dynamic Community:

Strategy 4.2.1 Provide support and services to enable communities to flourish

Strategy 4.2.2 Support the growth, development and provision of training to volunteers and community organisations

Strategy 4.2.3 Providing the information and assistance that supports community empowerment

Strategy 4.2.4 Assisting all communities to realize their individual community identity, strengths and opportunities through the development and implementation of Community Plans

Outcome 4.3 An inclusive and diverse community:

Strategy 4.3.2 Provide opportunities for youth participation and development

Outcome 5.1 Waste Management and Minimisation

Strategy 5.1.1 Reduce the volume of waste going to landfill

Strategy 5.1.4 Increase the volume of recycled materials through continued community education programs

Outcome 5.2 Adaptation to climate change and reduced emissions:

Strategy 5.2.2 Reduce carbon emissions from Council facilities, equipment and plant

Risk Management

Each grant category has predetermined assessment criteria and a set weighting for each criteria to identify and assess the risk exposure within each application. The assessment criteria ensure that projects and events have adequate control measures in place to ensure the successful and safe delivery

Each grant applicant must also demonstrate that they comply with any legal or statutory regulations relevant to the project which they are seeking Greater Grants funding. This includes (where relevant) appropriate insurances, food handling permits, liquor licences etc.

Environmental and Sustainability Considerations

No Environmental and Sustainability Considerations identified.

Community Consultation and Communication

Various Council staff engage with the community in relation to the Greater Grants program at a range of meetings (including Councillor Engagement, Progress Association, club and user groups, committee of management and, event organiser meetings, etc). Staff also engage with applicants on a 1:1 basis, to provide support through the Greater Grant process.

Grant recipients across all categories are required to complete a grant acquittal report. As part of the acquittal, Council seeks feedback from the grant recipient on ways in which the delivery of grants to the community could be improved.

The Annual Tourism and Events Forum, held in June each year, provides an opportunity for Greater Grants applicants to hear the latest updates about the program, provide feedback to grant owners, and learn how to get the best outcome from their application.

The decision will be communicated through a media release to the general public, via letters to the Grant recipients and through Council’s Community Newsletter and township newsletters. The successful applicants will be notified by phone call and mail, and successful projects will be promoted on Council’s website.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That Council:

1. Notes the \$38,524 for Greater Grants approved under delegation.
2. Resolves to allocate \$63,360 as per the projects outlined in the summary table below.

Category	Applicant	Project	Total Project Cost \$	Grant Requested \$	Grant Approved \$
Infrastructure	Coleraine Golf Club	Buggy Shed	33,000.00	10,000.00	10,000.00
<i>Infrastructure</i>	Branxholme Wallacedale FNC	Entry Door Upgrade	6,644.33	3,800.00	3,322.00
<i>Infrastructure</i>	HIRL	Maintenance Project	10,232.50	5,000.00	5,000.00
<i>Infrastructure</i>	Pastoral Museum	Site Plan	10,276.00	5,138.00	5,138.00
<i>Infrastructure</i>	Penshurst Hall	Heating/Cooling	10,000.00	5,000.00	5,000.00**
<i>Infrastructure</i>	Coleraine Pool	Solar Blanket	8,800.00	4,400.00	4,400.00
<i>Infrastructure</i>	Balmoral Bowling Club	Wet Area Redevelopment	45,515.00	15,000.00	15,000.00
<i>Infrastructure</i>	Penshurst Men's Shed	Toilet Upgrade	60,000.00	7,500.00	7,500.00**
<i>Events</i>	Western Alliance Fifth Annual Symposium		17,000.00	5,000.00	5,000.00
<i>Heritage and Culture</i>	Dunkeld Progress Association	Chinese Wall Heritage Assessment	3,000.00	3,000.00	3,000.00

COUNCIL RESOLUTION

MOVED: Cr Rainsford
SECONDED: Cr Calvano

That Council:

1. Notes the \$38,524 for Greater Grants approved under delegation.
2. Resolves to allocate \$63,360 as per the projects outlined in the summary table below.
3. That prior to successful applicants approved under delegation being advised, the total proposed grants be presented to a Councillor Briefing.

Category	Applicant	Project	Total Project Cost \$	Grant Requested \$	Grant Approved \$
Infrastructure	Coleraine Golf Club	Buggy Shed	33,000.00	10,000.00	10,000.00
<i>Infrastructure</i>	Branxholme Wallacedale FNC	Entry Door Upgrade	6,644.33	3,800.00	3,322.00
<i>Infrastructure</i>	HIRL	Maintenance Project	10,232.50	5,000.00	5,000.00
<i>Infrastructure</i>	Pastoral Museum	Site Plan	10,276.00	5,138.00	5,138.00
<i>Infrastructure</i>	Penshurst Hall	Heating/Cooling	10,000.00	5,000.00	5,000.00**
<i>Infrastructure</i>	Coleraine Pool	Solar Blanket	8,800.00	4,400.00	4,400.00
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<i>Infrastructure</i>	Penshurst Men's Shed	Toilet Upgrade	60,000.00	7,500.00	7,500.00**
<i>Events</i>	Western Alliance Fifth Annual Symposium		17,000.00	5,000.00	5,000.00
<i>Heritage and Culture</i>	Dunkeld Progress Association	Chinese Wall Heritage Assessment	3,000.00	3,000.00	3,000.00

CARRIED

10.7 Financial Statements to 31 March 2018 – 17-18 Budget

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Jason Cay, Finance Coordinator
Attachments: 3. Financial Statements

Executive Summary

The Financial Reports for the period 1 July 2017 to 31 March 2018 (copy attached) have been prepared to provide information regarding Council's current financial position.

The report includes an Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Capital Work and Statement of Human Resources. A narrative has also been prepared to explain variances between 2017/18 Budget and actual performance.

Discussion

The financial report includes an Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Capital Work and Statement of Human Resources. A detailed narrative has also been prepared to explain variances between 2017/18 Budget and actual performance.

Income Statement (Operating Statement)

Council is forecasting an operating surplus for the 2017/18 financial year. Actual Income and Expenditure YTD is a net surplus in January of \$5.001 m compared to Council's budgeted result of a \$21.85m operating surplus.

Balance Sheet

The budgeted balance sheet is understated in net equity and Property, Plant & Equipment due to the impairment of infrastructure assets. This impairment was due to the September 2016 Floods. All other balance sheet items are expected to be in-line to their original budgeted figures.

Statement of Cash flows

Cash balances are strong in January with \$25.73m of cash and investments held at the end of the month. This means all commitments can be met with cash, as and when required. Even with the carry forward of capital works and some unexpected expenses, Council is still forecasting a strong end of year cash position.

Statement of Capital Works

Council budgeted \$42.39m of capital works. This is a large increase on previous years to the amount of Capital works budgeted for Flood Recovery projects.

Actual expenditure of \$8.725m has occurred (21% of the budgeted amount).

Statement of Human Resources

The breakup between operating and capital salaries is variable for a large proportion of Council's workforce (Infrastructure Services in particular). Capital Expenditure is seasonal due the majority of works occurring during the construction season. Overall spend was at 69% of the forecast at the end of the month.

Legislation, Council Plan and Policy Impacts

Council Plan

The financial report provides interim information on the financial progress of the achievement of the Annual Budget. Financial sustainability and compliance with our annual budget are specifically identified as strategies within the Council Plan.

Legislation

Section 138 of the Local Government Act 1989 requires that at least every three months, the CEO must ensure that a statement comparing the budgeted and actual revenue and expenditure for the financial year is presented to the Council at a Council meeting which is open to the public.

Financial reports are generally prepared following the month ends of September, December, January, February, March, April & May. The June report forms part of Council's Annual Report.

Council is also required to implement the principles of sound financial management detailed in Section 136 of the Local Government Act 1989 which states:

- 1) A Council must implement the principles of sound financial management.
- 2) The principles of sound financial management are that a Council must-
 - (a) manage financial risks faced by the Council prudently, having regard to economic circumstances;
 - (b) pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;
 - (c) ensure that decisions are made and actions are taken having regard to their financial effects on future generations;
 - (d) ensure full, accurate and timely disclosure of financial information relating to the Council.
- 3) The risks referred to in subsection (2)(a) include risks relating to-
 - (a) the level of Council debt;
 - (b) the commercial or entrepreneurial activities of the Council;
 - (c) the management and maintenance of assets;
 - (d) the management of current and future liabilities;
 - (e) changes in the structure of the rates and charges base.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That the financial report for the period 1 July 2017 to 31 March 2018 be received.

COUNCIL RESOLUTION

MOVED: Cr Calvano

SECONDED: Cr Dunkley

That the financial report for the period 1 July 2017 to 31 March 2018 be received.

CARRIED

10.8 Building Service Review

Directorate: Michael McCarthy, Director Shire Futures
Author: Rhassel Mhasho-Manager Planning and Regulatory Services
Attachments: 4. Building Services Review Report - Confidential

Executive Summary

The purpose of this report is to present to Council the results of the building services review. The review highlighted that;

- The number of permits currently being processed by the unit are decreasing as the private market share increases.
- Attempts to recruit staff have found very little market interest. (This is consistent with other LGAs in the region and
- Similarly there is very limited interest from the private sector to undertake outsourced work.

Based on the above, Council Officers recommend that Council changes the service delivery model for this service by subcontracting to a company or individual(s) the building surveying service for a 1+1 year contract with a view to relying on the private sector to undertake the issuing of building permits and inspections in future.

Discussion

The Council building service review commenced in August 2017. The main objective of the review was to ensure that the building surveying services and activities being offered by Council are of high quality and are cost effective. The review was also necessitated by resignation of the Building Inspector after 15 years with Council and the impending retirement of the Municipal Building Surveyor (MBS) in July 2018. The building service report (**Attachment 1**) provides an overview of the building service in Southern Grampians Shire and a comparison of other Shires within the region.

The major highlights of the review were:

- The number of permits currently processed by the unit is decreasing as the private market share increases.
- Attempts to recruit staff have found very little market interest. This is consistent with other LGAs in the region
- Similarly there is very limited interest from the private sector to undertake outsourced work. Only one contractor submitted to the EOI.

Based on the key findings, three options were put forward in the review

Option 1 (Preferred option in the short term)

Subcontracting the building surveying service for a 1+1 contract. Invite contractors that offer Building surveying including MBS Australia services to tender for the provision of the whole Building surveying service whilst Council is engaging with other Councils for a shared Municipal Building Surveyor (MBS) role and completing existing permits.

Features

- Provides an opportunity to phase out of undertaking permit applications by staff as Council currently has live permit applications at different stages.
- Gives time to investigate shared service arrangement.
- Ensures capacity within the Shire to ensure that the building sector is prepared for the changed arrangements

Option 2

Council advertises and looks at employing a full-time MBS on a contract basis and then employ an unlimited or limited Building inspector on level 6/7 depending on experience.

Features

- Continue as business as usual
- This would be the most cost-effective option but it is not certain (unlikely) that staffing can be found
- permit numbers processed by Council are decreasing which is resulting in an increased cost of the service

Option 3

Council completely ceases inspections and permit assessments and concentrates on statutory obligations such as swimming pool inspections, Popes, ESM. (Similar to Moyne)

Features

- Council will still need to have a Municipal Building Surveyor. (May be shared service)
- The Victorian Building Authority acknowledges that there are some Councils not doing permits and inspections.
- Not yet demonstrated that the private sector has the necessary capacity.

Preferred option in the medium term

From the above options, Council Officers recommend Option 1. It should be noted that Council advertise for a fixed-term, full-time Municipal Building Surveyor position to undertake building assessments and inspections at the same time as advertising to subcontract the service to a private provider.

The review also noted that some residents are accessing and using private building surveyors to obtain their building permits rather than Council and the building permit and inspections service Council provides is potentially provided through private providers there is no guarantee that there is currently the private-sector capacity to undertake all the work currently performed by Council staff. Similarly Council is legally required to employ a Municipal Building Surveyor to undertake statutory functions that can only be provided by an MBS.

Council is obliged to undertake regulatory functions under the Building Act that cannot be provided by the private sector.

As the private sector is increasing its share in processing building permits and inspections the cost to Council and therefore ratepayers is rising (permit numbers are decreasing whilst employee costs are rising).

Neither Council nor the building sector is in a position to ensure a smooth transition from the full service currently provided to this proposed level of service. Based on the above, Council Officers also recommend that Council works with private providers to ensure there is capacity in the private sector to deliver the service beyond the 2 year period.

Financial and Resource Implications

Implementing the recommendation of this report will result in minor change to budget with regard to employment cost.

Legislation, Council Plan and Policy Impacts

Building Act 1993

Council is required to administer building provisions in Building Act 1993 in its municipal district Section 212 provides as follows, *a council is responsible for the administration and enforcement of Parts 3, 4, 5, 7 and 8 and the building regulations in its municipal district.*

Council Plan: Strategy 1.4.3

Provide regulatory services to protect amenity and provide safety in our community

Risks Management

Council has legal obligations in ensuring the Building Service is undertaken. The option recommended is provided to minimise the risk of financial increases whilst ensuring the service is continued to be provided and the risks to public health are minimised.

Environmental and Sustainability Considerations

Not applicable to this decision

Community Consultation and Communication

Internal consultation was held with the relevant staff with external consultation held with other Local Government Agencies in the area and with the Victorian Building Authority.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That Council:

1. Changes its service delivery model by subcontracting to a company or individual(s) the building surveying service (including the provision of the Municipal Building Surveyor) for a 1+1 year contract.
2. Works with private providers to ensure there is capacity in the private sector to deliver the service beyond this period.
3. Engages with neighbouring Shires to achieve a shared services model for the delivery of the Municipal Building Surveyor function.

COUNCIL RESOLUTION

MOVED: Cr McAdam
SECONDED: Cr Dunkley

That Council:

- 1. Changes its service delivery model by subcontracting to a company or individual(s) the building surveying service (including the provision of the Municipal Building Surveyor) for a 1+1 year contract.**
- 2. Works with private providers to ensure there is capacity in the private sector to deliver the service beyond this period.**
- 3. Engages with neighbouring Shires to achieve a shared services model for the delivery of the Municipal Building Surveyor function.**

CARRIED

10.9 New Gallery – Scoping Study & Foundation

Directorate: Michael McCarthy, Director Shire Futures
Author: Sarah Schmidt, Director, Hamilton Gallery
Attachments: 5. Scoping Study and Master Plan brief for a new Hamilton Gallery

Executive Summary

In February 2017 the Council received a report on the Project Brief Re 'Feasibility Study & Masterplan for a new Hamilton Gallery' and on the formation of an associated Building Fund – The Hamilton Gallery Foundation. The proposals received unanimous support from Council. This present report to Council is for two purposes:

- 1) an update on progress and timing
- 2) further funding request of \$100,000

This report discusses the developments made, and makes recommendations in order to advertise the accepted brief now. It notes the challenges in achieving external planning funding, and recommends accordingly, that we allocate a further \$100,000, to be able to advertise the Tender as soon as possible. The report documents that the Gallery has made significant progress in a short time in laying the ground for the Scoping Study and Masterplan for a New Hamilton Gallery – through research on the funding climate and building the appropriate support, interest and expertise from key stakeholders and industry experts towards realising this vision, including the fundraising component towards carrying out the Study's recommendations.

The 2017 report, as accepted, indicated a budget of \$200-250,000 for the Tender Brief. In order to advertise the Tender a further allocation of \$100,000 from Council is sought, to provide the total budget. The recommendation of this report is to proceed with undertaking the decision of the Feb 2017 report by advertising for the Tender – Scoping Study and Masterplan for a New Hamilton Gallery – as soon as possible in this financial year.

Discussion

The Scoping Study and Masterplan for a New Hamilton Gallery should be advertised this financial year so that this project adheres to set timelines. The Hamilton Gallery is among the region's most valuable assets and the decision of the Council in February 2017 to proceed with the Scoping Study and Masterplan for a New Hamilton Gallery represents leveraging from this asset for growth of the cultural economy, tourism and community health. This project is necessary to keep pace with the growth of regional galleries as iconic buildings/facilities in their community landscape, and likewise to keep pace with required standards of a building to perform as a museum. This asset must remain competitive and appropriate as a facility, in order to keep its value and for custodial responsibility to the collection. The benefits to the community are as stated in the SGSC Arts and Culture Strategic Plan 2014, concerning liveability, culture and wellbeing.

External funding to match \$100,000 was expected in the initial proposal but it has been proven that securing such funding in the current climate would impose significant delay. The option to delay and continue seeking funding is considered counter-productive. The research into government funding sources that sought \$100,000 of external funding is indicative of a funding climate that is not widely supportive at the planning stage of such projects. Links with five major philanthropic sources have been made for this project but philanthropic

sources, as envisaged, prefer to invest based on the outcomes of a Scoping study, rather than prior to this.

Financial and Resource Implications

Based on the recommendation, a further allocation of \$100,000 from Council is sought, bringing the total allocation to the Scoping Study and Masterplan for a New Hamilton Gallery to \$200,000. This approach is sought, rather than delay the project. The appropriate budget for undertaking the scoping study is \$200-250,000. The sum of \$200,000 minimum is required to build the appropriate level of evidence for external financial investment in this capital infrastructure project.

Legislation, Council Plan and Policy Impacts

*SGSC Asset Management Strategy, policy statement: "Council recognizes that assets must be planned, provided and refurbished so that they continue to meet the service delivery needs of the community." –The Gallery's maintenance costs are increasing as an aging building. The building struggles to meet appropriate museum standards in an environment of increasing professionalization and competition. There is obligation as custodian of a \$25million collection to maintain the collection in appropriate museum conditions.

*SGSC Arts and Culture Strategic Plan 2014

Arts, culture and heritage are crucial to the region's development socially, culturally, environmentally and economically (guiding principle)

- Increase participation and engagement with the Shire's creative facilities, programs and services by further developing these environments to be more vibrant and inclusive.
- Support innovative improvements to infrastructure that create accessible, sustainable environments that improve participation in the arts
- Utilise and build upon our substantial strengths in arts and culture to support tourism

Risk Management

The only risk at this stage is that a study is completed and funding is not found to activate the recommendations of the study. The comparative risk, of not doing anything, is considered greater when the Gallery 'constitutes the largest single asset that the Shire owns' (citing Illuminate: Arts and Culture Discussion paper (2013) p.25). It mitigates risk to have a scoping study and master planning prepared before undertaking a large scale capital project.

Environmental and Sustainability Considerations

The building and the project overall, must follow accepted sustainability principles, for example around energy efficiency, sustainable building materials and climate resilience. See p. 9 of the Scoping Study and Master Plan Project Brief. The Tender documentation will require best practice in the area of Environmental and Sustainability Considerations.

Community Consultation and Communication

The resolution of Council will be appropriately communicated by media release to the local community and relevant government contacts. The Project Manager employed for the Scoping Study and Masterplan for a New Hamilton Gallery will be required to conduct a community consultation session to ensure a comprehensive understanding by the community regarding each step in the process.

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

That Council:

1. Allocates a further \$100,000 to replace external funding for a total Council allocation of \$200,000.
2. Advertises the Tender for the Scoping Study and Masterplan for a New Hamilton Gallery as soon as possible within this financial year.

COUNCIL RESOLUTION

MOVED: Cr Dunkley
SECONDED: Cr Rainsford

That Council:

1. **Allocates a further \$100,000 to replace external funding for a total Council allocation of \$200,000.**
2. **Advertises the Tender for the Scoping Study and Masterplan for a New Hamilton Gallery as soon as possible within this financial year.**

CARRIED

11. Notices of Motion

11.1 Notice of Motion #1/18

Cr Rainsford

I hereby give notice of my intention to move the following motion at the Ordinary Council Meeting to be held on 11 April 2018

MOTION

That Southern Grampians Shire Council supports the introduction of Container Deposit Legislation (CDL) in Victoria and urges the Victorian State Government to introduce such a scheme as a priority.

Background

A previous Southern Grampians Shire Council resolution had unanimously supported the introduction of container deposit legislation in Victoria. CDL was previously in existence in Victoria.

CDL is State Government Policy in SA & NT & NSW and being introduced in QLD from July 1 2018, commencing in WA 1st January 2019 and planned for ACT to join the NSW CDL scheme in 1st July 2018.

Victoria and Tasmania do not have a scheme.

The strength of the lobbying by industry to resist any form of container deposit legislation has been well documented.

The case has also been made for potential Federal CDL to integrate and support the existing State based CDL programs. This would remove the loop hole in the Australian Federal Constitution based on the principal of Free Trade between States. State based schemes need to be exempted from the Commonwealth Mutual Recognition Act.

'Return to Earn', 'Change for Cans', 'Change for Container' whatever the promotional slogan, we currently have a crisis in the Victorian Recycling Industry. Local Councils and therefore ratepayers are facing increasing costs to manage waste. The case is made by the international processor of our recycling waste that it is "dirty" and expensive to process.

This apparently refers to the lack of separation of different types of reusable waste. Glass, aluminium and paper.

The litter volume on Victorian parks and beaches is higher than the national average. Reducing the amount of waste going into landfill and encouraging efficient recycling will lessen comingling of recyclable materials and will reduce this littering.

The community support especially from children who are our future was evident when as part of the War on Waste they supported the Boomerang Alliance 'Change for Container' recent visit to Hamilton last week.

This motion reinforces the previous Southern Grampians Shire Council support for CDL and seeks our Victorian Government to re visit their opposition to such reward for waste separation and recycling schemes.

Whilst Southern Grampians Shire Council has a direct contract with VISY to pay for our recycling waste, we can work with other more directly affected councils to work with the State government and the recycling industry to develop and more resilient and sustainable recycling model.

Officers Comments

Southern Grampians Shire Council has previously supported such a scheme and this motion seeks to reiterate that support. Following consideration of this motion and if accepted by Council written advice would be provided to the Victorian State Government, listed as a motion for the Municipal Association of Victoria to consider supporting and raised through appropriate forums such as the Barwon South West Waste and Resource Recovery Group.

MOTION

MOVED: Cr Rainsford
SECONDED: Cr McAdam

That Southern Grampians Shire Council supports the introduction of Container Deposit Legislation (CDL) in Victoria and urges the Victorian State Government to introduce such a scheme as a priority.

AMENDMENT

MOVED: Cr Calvano
SECONDED: Cr McAdam

That Council:

- 1. Supports the introduction of Container Deposit Legislation (CDL) in Victoria and urges the Victorian State Government to introduce such a scheme as a priority.**
- 2. Seek support for the introduction of the CDL from Municipal Association of Victoria, Rural Councils Victoria, Great South Coast Group and Barwon South West Waste and Resource Recovery Group.**

The AMENDMENT was CARRIED and became the MOTION

COUNCIL RESOLUTION

MOVED: Cr Calvano
SECONDED: Cr McAdam

That Council:

- 1. Supports the introduction of Container Deposit Legislation (CDL) in Victoria and urges the Victorian State Government to introduce such a scheme as a priority.**
- 2. Seek support for the introduction of the CDL from Municipal Association of Victoria, Regional Councils of Victoria, Great South Coast Group and Barwon South West Waste and Resource Recovery Group.**

CARRIED

12. Delegated Reports

Reports on external Committees and Representative Bodies for which Councillors have been appointed as a representative by Council.

12.1 MUNICIPAL EMERGENCY MANAGEMENT PLANNING COMMITTEE (MEMPC)

Cr McAdam reported that the scheduled MEMPC meeting was cancelled due to the fires in the Shire. The Relief and Recovery subcommittee met on the 26 March to discuss the fire situation.

12.2 HAMILTON REGIONAL LIVESTOCK EXCHANGE ADVISORY COMMITTEE

Cr McAdam reported that the first day of lamb scanning was held on the 21 March with the new EID system. Ministers Jaala Pulford and Gayle Tierney were in attendance as well as high ranking department heads.

13. Mayors and Councillors Reports

Address from the Mayor and Councillors in relation to matters of civic leadership and community representation, including acknowledgement of community groups and individuals, information arising from internal Committees, advocacy on behalf of constituents and other topics of significance.

13.1 CEO Performance Review

Author: Cr Mary-Ann Brown, Mayor

Attachments: None

Executive Summary

This report recommends the engagement of executive recruitment firm, McArthur to support Council in the Chief Executive Officer (CEO) Performance Review process and to appoint three Councillors to the CEO Performance Review Panel.

Discussion

The current employment contract with the CEO requires that a Performance Review be undertaken annually by a Council appointed panel, supported by an executive recruitment consultant. This process was implemented by the previous Council who also undertook a 6-month review and assessment to handover to the new Council following the 2016 Council Elections. The current Council has continued to support this approach and conducted a full annual review in March/April 2017 and intends to conduct this annual review in line with that process.

The outline of the process is:

- Council report appointing Consultant and Panel
- Councillor briefing by Consultant, followed by individual ratings and feedback
- Councillor ratings and feedback
- Collation of responses and draft report to Panel
- Panel discussion with Consultant and CEO

Financial and Resource Implications

As per proposal from McArthur, the cost for Year 2 is \$6,000 plus GST.

Legislation, Council Plan and Policy Impacts

The Performance Review is a legal requirement of the contract conditions.

This matter relates to Objective 1 - Leadership and Good Governance, of the Council Plan.

Risk Management

It is a contractual requirement to undertake at least an annual performance review of the Chief Executive Officer.

Environmental and Sustainability Considerations

There are no Environmental and Sustainability Considerations in this matter.

Community Consultation and Communication

This is an internal process and there is no need to communicate or consult on the decision.

Disclosure of Interests

All involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

RECOMMENDATION

It is recommended that Council:

1. Engage McArthur to support Council in the CEO Performance Review process, at a cost of \$6,000 plus GST;
2. Appoint Mayor Cr Mary-Ann Brown, Deputy Mayor Cr Chris Sharples and Cr Colin Dunkley as the CEO Performance Review Panel

COUNCIL RESOLUTION

MOVED: Cr Sharples
SECONDED: Cr McAdam

It is recommended that Council:

1. Engage McArthur to support Council in the CEO Performance Review process, at a cost of \$6,000 plus GST;
2. Appoint Mayor Cr Mary-Ann Brown, Deputy Mayor Cr Chris Sharples and Cr Colin Dunkley as the CEO Performance Review Panel

CARRIED

Cr Dunkley reported on his attendance at:

- National Close the Gap Day held in the Hamilton Botanic Gardens on the 15 March 2018
- Pipe Dreams Fractured Lives movie by David Smith held in the Hamilton Cinema

Cr Calvano reported on his attendance at:

- MAV Multicultural meeting held in March
- Harmony Day Celebrations held on 21 March 2018
- Penshurst Art Show on 23 March 2018
- Draft Budget Community Engagement Session in Dunkeld on 26 March 2018
- Draft Budget Wrap Up Session held in Hamilton on 27 March 2018

Cr Armstrong reported on her attendance at:

- A number of Draft Budget Community Engagement Sessions
- Launch of the EID system at the Hamilton Livestock Exchange
- Harmony Day Celebrations held on 21 March 2018
- Penshurst Post Fire Community Information Session
- VicRoads Engagement Session at the Hamilton Library
- South West TAFE Awards Ceremony and congratulated all award winners particularly those from Southern Grampians Shire.

Cr Rainsford reported on her attendance at:

- The DForce Ice Challenge meeting
- VicRoads Engagement Session
- Harmony Day Celebrations
- Launch of the EID system at the Hamilton Livestock Exchange
- Pipe Dreams Fractured Lives movie by David Smith held in the Hamilton Cinema
- Orchestra Victoria events in the Hamilton Art Gallery and the Performing Arts Centre

Cr McAdam reported on his attendance at:

- The opening of the Celia Rosser display at the Hamilton Gallery
- Saleyards workshop on 21 March 2018
- Harmony Day Celebrations
- VicRoads Engagement Session
- Penshurst Post Fire Community Information Session
- Pipe Dreams Fractured Lives movie by David Smith held in the Hamilton Cinema
- Draft Budget Community Engagement Session in Dunkeld on 26 March 2018
- Draft Budget Wrap Up Session held in Hamilton on 27 March 2018

Cr Sharples reported on his attendance at:

- The industry visits to Pierrepoint Wineries and Good Shepherd College Senior Campus

14. Confidential Matters

There were no Confidential Matters listed on tonight's agenda.

15. Close of Meeting

This concludes the business of the meeting.

Meeting closed at 6:59 pm.

Confirmed by resolution 9 May 2018.

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Chairman