



Southern Grampians
SHIRE COUNCIL

Council Meeting Minutes

Ordinary Meeting
10 June 2020

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

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The Meeting opened at 5.30pm

1 Present

Councillors

Cr Chris Sharples, Mayor
Cr Colin Dunkley, Deputy Mayor
Cr Cathy Armstrong
Cr Mary-Ann Brown
Cr Albert Calvano
Cr Greg McAdam
Cr Katrina Rainsford

Officers

Mr Michael Tudball, Chief Executive Officer
Ms Evelyn Arnold, Director Community and Corporate Services
Mr David Moloney, Director Shire Infrastructure
Ms Karly Saunders, Governance Coordinator

2 Welcome and Acknowledgement of Country

The 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.”

Please note: All Council meetings will be audio recorded, and may be livestreamed to Council's social media platform, with the exception of matters identified as confidential items in the Agenda.

By participating in open Council meetings, individuals consent to the use and disclosure of the information they share at the meeting (including any personal and/or sensitive information).

Other than an official Council recording, no video or audio recording of proceedings of Council Meetings will be allowed without the permission of Council.

3 Prayer

Cr Rainsford let the meeting in a prayer.

4 Apologies

None. It was noted that Mr Andrew Goodsell, Director Planning and Development was not in attendance due to both social distancing measures implemented and only required staff attending.

5 Confirmation of Minutes

RECOMMENDATION

That the Minutes of the Ordinary Meeting of Council held on 13 May 2020 be confirmed as a correct record of business transacted.

COUNCIL RESOLUTION

MOVED: Cr Brown
SECONDED: Cr McAdam

That the Minutes of the Ordinary Meeting of Council held on 13 May 2020 be confirmed as a correct record of business transacted.

CARRIED

6 Declaration of Interest

7 Questions on Notice

Questions from the public must be submitted prior to the commencement of Council Meetings.

All questions must be submitted through completion of the Public Question Time form, and be forwarded to the Chief Executive Officer at 111 Brown Street, Hamilton. All questions must be received by no later than 5pm on the Monday before the Ordinary Meeting of Council.

Questions must:

1. Not pre-empt debate on any matter listed on the agenda of the Ordinary Meeting at which the question is asked
2. Not refer to matters designated as confidential under the Local Government Act 1989.
3. Be clear and unambiguous and not contain argument on the subject.
4. Not be derogatory, defamatory or embarrassing to any Councillor, member of staff, ratepayer or member of the public, nor relate to a matter beyond the power of Council.

If the member of the public is in attendance at the Council Meeting the Mayor will read the question aloud and provide a response. If a question cannot be answered at the meeting, a written response will be prepared and forwarded to the person raising the question.

Residents do not need to attend the meeting for a question to be answered. If they do not attend the meeting a written response will be provided.

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

8 Public Deputations

Requests to make a Public Deputation to Council must be submitted prior to the commencement of the Council Meeting.

Anyone wishing to make a deputation to Council must complete the Request to Make a Deputation form and forward it to the Chief Executive Officer at 111 Brown Street, Hamilton by no later than 5pm on the Monday before the Ordinary Meeting of Council.

Speaking time is limited to 3 minutes per person. Organisations may be represented at the deputation to Council by not more than 4 representatives. The names of the representatives to attend must be advised in writing to the Chief Executive Officer and 1 of the representatives to attend must be nominated as the principal spokesperson for the deputation.

Deputations wishing to make a written submission to the Council must a copy either electronically or hard copy of the submission to the Chief Executive Officer prior to the Ordinary Council Meeting. One copy will be made available to the local media representative, if requested.

All members of the public addressing the Council must extend due courtesy and respect to the Council and the processes under which it operates. If a member of the public fails to do this the Chairperson can remove them from the Chambers. All members of the public must also comply with Council's Public Participation at Council Meetings policy in relation to meeting procedures and public participation at meetings.

There are 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:

- Council Briefing Session – 13 May 2020
- Hamilton Regional Livestock Exchange Advisory Committee Meeting – 18 May 2020
- Audit and Risk Committee Meeting – 21 May 2020
- Council Briefing Session – 27 May 2020

This agenda was prepared on 3 June 2020. 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 Calvano
SECONDED: Cr Brown

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:	Council Briefing Session
Date:	13 May 2020
Location:	MJ Hynes Auditorium/Virtual
Councillors in Attendance:	Cr Chris Sharples, Mayor Cr Colin Dunkley, Deputy Mayor Cr Cathy Armstrong Cr Mary-Ann Brown Cr Albert Calvano Cr Greg McAdam Cr Katrina Rainsford
Council Staff in Attendance:	Michael Tudball, Chief Executive Officer Evelyn Arnold, Director Community and Corporate Services - Virtual David Moloney, Director Shire Infrastructure - Virtual Andrew Goodsell, Director Planning and Development - Virtual Darren Barber, Manager Organisational Development - Virtual Karly Saunders, Governance Coordinator - Virtual Rohit Srivastava, Manager Assets - Virtual Amy Knight, Manager Cultural Arts - Virtual

The Assembly commenced at 12:30pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Land Valuations	Nil
2	Councillor Discussion – Kangaroo Culling Dunkeld	Nil
3	Matters Raised by Council	Nil
4	Council Meeting Items	Cr Armstrong declared an indirect conflict in Council Meeting item 10.11 and left the

		Briefing during discussions on this matter.
5	Local Government Act	Nil
6	11-19 HRLX Cattle Yard Roof	Nil
7	Community Infrastructure Framework	Nil
8	Arts and Culture Briefing	Nil
9	Asset Management Policy – Upgrades Discussion	Nil

The Assembly concluded at 5:00pm.

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Hamilton Regional Livestock Exchange Advisory Committee Meeting
Date:	Monday, 18 May 2020
Location:	Microsoft Teams Virtual Meeting
Councillors in Attendance:	Cr Greg McAdam Cr Mary-Ann Brown
Council Staff in Attendance:	David Moloney, Director Shire Infrastructure Mike Shanahan, Health and Safety Co-ordinator Chris Dahlenburg, HRLX Manager Kate Kennedy, EA to Director Shire Infrastructure

The Assembly commenced at 4.00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Proposed Fees and Charges	Nil

The Assembly concluded at 5.10pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Audit & Risk Committee Meeting
Date:	21 May 2020
Location:	Via Teams Meeting Teleconference
Councillors in Attendance:	Cr Colin Dunkley, Deputy Mayor Cr Katrina Rainsford
Council Staff in Attendance:	Mr Michael Tudball, CEO Ms Evelyn Arnold, Director Community & Corporate Services Ms Belinda Johnson, Manager Finance Mr Darren Barber, Manager Organisational Development Ms Karly Saunders, Governance Coordinator Mr Nadine Rhook, EA to Director Community & Corporate Services

The Assembly commenced at 1:22pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Welcome	Nil
2	Apologies	Nil
3	Conflict of Interest	Nil
4	Confirmation of Previous Minutes	Nil
5	Committee in Camera	Nil
6	External Audit – Progress of Outstanding Items	Nil
7	Amended Audit Strategy and Review of Interim Management Letter	Nil
8	Internal Audit – Overall Progress	Nil
9	Internal Audit – Building Maintenance – Procurement	Nil

10	Progress Report of Completed Internal Audit Actions (Interplan) – Customer Service & Complaints, Contract Management, Risk Management & Waste Management, Asset Management & Road Maintenance, Building Maintenance	Nil
11	Appointment of Internal Auditor – Status Update	Nil
12	Summary Table of Outstanding Matters	Nil
13	Standard Statement – Finance Report	Nil
14	Compliance Framework	Nil
15	OHS Report	Nil
16	VAGO Report – Fraud & Corruption Control – Local Government	Nil
17	Draft Budget Documents, Strategic Resource Plan & Pricing Register	Nil
18	COVID-19 Update	Nil
19	Councillors Expense Policy	Nil
20	Audit & Risk Committee Charter	Nil

The Assembly concluded at 4:00pm



Southern Grampians
Shire Council

ASSEMBLY OF COUNCILLORS

ASSEMBLY DETAILS	
Title:	Council Briefing Session
Date:	27 May 2020
Location:	Virtual – Microsoft Teams
Councillors in Attendance:	Cr Chris Sharples, Mayor Cr Colin Dunkley, Deputy Mayor Cr Cathy Armstrong Cr Mary-Ann Brown Cr Albert Calvano Cr Greg McAdam Cr Katrina Rainsford
Council Staff in Attendance:	Michael Tudball, Chief Executive Officer via phone Evelyn Arnold, Director Community and Corporate Services via phone David Moloney, Director Shire Infrastructure via phone Andrew Goodsell, Director Planning and Development via phone Belinda Johnson, Manager Finance StJohn Lees, Manager Works Brett Holmes, Team Leader Works

The Assembly commenced at 1:10pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Matters Raised by Council	Nil
2	Food and Fibre Council Membership	Nil
3	Eastern Maar Native Title	Nil
4	Waste Reserve	Nil
5	Capital Works Update – End of April	Nil
6	Bringing it Home for HRLX – Discussion on Recommendations	Nil

7	Bank Loan - HRLX	Nil
8	Tender – Electrical Contract	Nil

The Assembly concluded at 4:35pm

10 Management Reports

10.1 Audit and Risk Committee – Minutes

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Evelyn Arnold, Director Community and Corporate Services
Attachments: 1. Minutes – 21 May 2020

Executive Summary

The Minutes from the May meeting as endorsed by the Audit and Risk Committee (ARC) are presented to Council for adoption.

Discussion

The Audit and Risk Committee (ARC), as an Advisory Committee of Council, fulfils both a statutory and consultative function. It provides feedback, advice and direction to Council. The intention is not to focus on financial risk which is adequately addressed by the external auditors, but rather to review internal processes in line with the culture of continuous improvement.

Legislation, Council Plan and Policy Impacts

The Local Government Act 1989 section 139.

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 Minutes for the Audit and Risk Committee meeting held on 21 May 2020 be noted.

COUNCIL RESOLUTION

MOVED: Cr Dunkley
SECONDED: Cr Rainsford

That the Minutes for the Audit and Risk Committee meeting held on 21 May 2020 be noted.

CARRIED

10.2 Bank Loan

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Belinda Johnson, Manager Finance
Attachments: None

Executive Summary

In the Southern Grampians Shire Council 2019/20 Budget provision has been made for borrowings of \$2 million to finance capital works. National Australia Bank Ltd has provided a funding proposal in relation to the borrowing over a ten year period.

Discussion

The purpose of the \$2,000,000 loan is to fund part of the capital works as detailed in the 2019/20 Budget.

Several options were requested including monthly or quarterly repayments and terms of either 10 or 15 years. The most cost effective being quarterly payments over a 10 year period at an indicative interest rate of 2.14%.

Subject to Council approval, funds will be provided to Council on 21st June 2020.

Financial and Resource Implications

Council is required to implement the principles of sound financial management detailed in Section 136 of the *Local Government Act 1989*.

Council's adopted Strategic Resource Plan 2019/20-2022/23 provided detailed information about cash holdings and the prudential levels of debt recommended by State Government.

Council sits well below these guidelines in three of the four indicators:

- Debt Exposure - 4.4% (<50%),
- Debt Servicing – 1.6% (<5%) and
- Debt Commitment – 3.3% (<10%).

Council's Liquidity was budgeted at 91.5% (>150%) which supports Council's proposal to borrow funds for capital investment ensuring that the liquidity ratio remains at an acceptable level.

Legislation, Council Plan and Policy Impacts

The sourcing of loan funds for capital works aligns with the Council Plan specifically in the areas of good governance relating to financial sustainability with the overall project contributing towards economic growth and prosperity as well as provision of quality services.

Council's Capital Reinvestment & Borrowing Strategy provides for funding the acquisition of new municipal assets and the replacement and/or redevelopment of existing municipal assets. It is an objective of Council to allocate sufficient funds through annual budgets, however new borrowings may be utilised where insufficient funds are available through that annual budgetary process.

Risk Management

The preferred lender is an established provider of funds which helps to ensure financial risks to Council are minimised. Potential interest rate increases are negated due to a fixed interest rate set for the ten year period. This ensures repayments are also fixed over the life of the loan.

Environmental and Sustainability Considerations

Borrowing funds for long-lived assets demonstrates the implementation of prudent financial management and allows Council to provide assets to undertake its social, economic and environmental initiatives outlined in the Council Plan 2017-2021.

Community Consultation and Communication

Community engagement has been undertaken during the preparation of the 2019/20 Budget. There were no submissions received relating to loan funds.

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. Approve the loan of \$2,000,000,
2. Authorise the CEO & Mayor to sign and affix the Common seal of Council on the following documents:
 - a. Business Letter of Offer
 - b. Deed of Charge.

COUNCIL RESOLUTION

MOVED: Cr Brown
SECONDED: Cr Dunkley

That Council:

1. Approve the loan of \$2,000,000,
2. Authorise the CEO & Mayor to sign and affix the Common seal of Council on the following documents:
 - a. Business Letter of Offer
 - b. Deed of Charge.

CARRIED

10.3 Waste Reserve Review

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Belinda Johnson, Manager Finance
Attachments: None

Executive Summary

Council has operated a discretionary reserve for the purpose of meeting the cost to develop, upgrade and/or renew waste infrastructure since 2011.

Since the reserve was initiated, the financial responsibilities and methodologies for waste management have become more sophisticated. There are other governing principles now to guide the funding of waste responsibilities including various government controls.

It is recommended that the current method of transferring 10% of waste fees to the Waste Reserve cease as at 30 June 2020.

Accounting of future waste transactions should be developed in conjunction with the broader Revenue Strategy required under the new Local Government Act.

Discussion

Prior to 2011, Council recognised that the costs associated with waste were increasing and that Council needed to provide some surety around the future funding of these liabilities.

Ten percent of the waste fees collected at the then Hamilton Landfill and outer town transfer stations was to be set aside and at the end of each financial year, transferred to a Waste Reserve. The purpose of this reserve was to fund future development and costs associated with waste infrastructure.

The Reserve currently has a balance of \$392,600. In the past 6 years alone, capital expenses have been in excess of \$2.0m, meaning that at the end of this financial year, after accounting entries are completed, the reserve will have a zero balance. Based on current spending, it is not anticipated that the reserve will have a balance at year end in the foreseeable futures (due to development expenses exceeding revenue raised).

Accounting for waste is now completed in 3 comprehensive but separable components:

- Waste Collection and Disposal Operations
- Current and future rehabilitation of current and former waste sites, and
- Development of future waste facilities

Waste Collection and Disposal Operations

Council undertook Waste Services Financial Review in 2016, which was delivered by McKenzie Environmental. The report analysed the current service level and costs associated with each service and recommended options for the future service level for waste management. This report was presented to Council at the December 2016 Ordinary Meeting of Council and a follow up Council Report at the February 2017 Ordinary Meeting of Council. This document and Council resolutions have seen Council moving toward a “cost neutral” approach to this component of waste management. The ongoing operations is funded through service fees from developed properties via rates and charges and gate fees at the transfer stations. There are also commercial arrangements with some properties.

Rehabilitation Costs of Current and Former Waste Sites (Landfills)

The future liabilities for the rehabilitation of landfills is now required to be carried in a council's balance sheet. The formula for this takes into consideration all future costs of the rehabilitation including the initial decommissioning costs and ongoing maintenance such as monitoring. This is carried out under guidance issued by the Victorian Environment Protection Authority. These amounts are formally audited by the Victorian Auditor General's Office.

Development of Future Waste Facilities

The future costs of waste infrastructure development is incorporated into Council's Long Term Financial Plan and is therefore prioritised and funded through Council's annual budget process.

Financial and Resource Implications

The current process of transferring 10% of gate fees is now an unnecessary administrative process which has been superseded by three independent processes.

The removal of the requirement of the reserve has no financial impact other than allowing cash previously being listed as a discretionary reserve, now being able to be part of working capital.

Legislation, Council Plan and Policy Impacts

The Reserve was set by a resolution of Council when adopting the Fees and Charges for the 2011/12 financial year and thereby requires a decision of council to cease the transfer to the Reserve.

It is not proposed to close the Reserve, it should remain open in the circumstance that in any given year, the revenue from the waste service exceeds the operational and capital costs and thereby generates a surplus. This amount should then be transferred to the Reserve to defray any future year's deficit.

Risk Management

The current three component accounting treatment for waste transactions was developed as risk mitigation measure and substantially lowered the risk when compared to that of the previous reserve methodology.

Environmental and Sustainability Considerations

There are no direct environmental and sustainability considerations in this action.

Community Consultation and Communication

Community consultation is not required specifically for the change of the accounting treatment for the Reserve, however Council does communicate the service levels and financial management of waste via various publications namely; annual budgets, strategic resource plans, pricing register, asset management plans and the Council Plan.

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 current method of transferring 10% of waste fees to the Waste Reserve cease as at 30 June 2020, and

That the Waste Reserve be left open should the need require the transfer of a surplus generated from the waste service in any year to defray a future year's deficit.

COUNCIL RESOLUTION

MOVED: Cr Rainsford
SECONDED: Cr McAdam

That the current method of transferring 10% of waste fees to the Waste Reserve cease as at 30 June 2020, and

That the Waste Reserve be left open should the need require the transfer of a surplus generated from the waste service in any year to defray a future year's deficit.

CARRIED

10.4 General Revaluation of Properties

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Belinda Johnson, Manager Finance
Attachments: None

Executive Summary

A general valuation of all properties in the Southern Grampians Shire has been undertaken by the Valuer-General Victoria for use in the 2020/21 rating year.

These figures have now been finalised and the Valuer-General Victoria has certified the General valuation to be generally true and correct.

Discussion

Opteon Property Group was appointed by the Valuer General to provide valuation services for the 2020 general valuation to Council.

The Valuer General Victoria, in accordance with Section 7AD of the Valuation of Land Act 1960 (the Act), certified that the General Valuation be generally true and correct on 18 May 2020.

The Valuation will now be recommended to the Minister for Planning for declaration under Section 7AF of the Act that the valuation is suitable to be adopted and used for the purposes of any rating authority allowed to use the 2020 valuation.

Aggregate valuations for all properties – rateable and non-rateable - are as follows:-

Site Value	Capital Improved Value	Net Annual Value
\$3,387, million	\$5,082 million	\$264 million

The total CIV has increased by approximately 12.73%.

Movements in valuations are not uniform for all localities within the Shire or for all categories of land.

The new capital improved values will be used as the basis of rating for the financial year commencing 1 July, 2020.

It is proposed that valuation and rate notices for 2020/21 will be issued in late August. Any person aggrieved by the valuation on their property is entitled to lodge an objection during the two months following the issue of the notices.

The movements in valuations shall result in a redistribution of the rate burden over the rateable properties within the Shire.

Financial and Resource Implications

The valuation data provides the basis for the calculation of the rate in the dollar which is to be levied on all rateable properties. The determination of the values, coupled with Council Rating Policy, allocates the rate burden to the different property types within the Local Government Area.

The valuation process contributes to the generation of over 40% of Council revenue to fund services and capital works annually and ensure that a wide range of quality services are available to our community that will contribute to the liveability of the Shire.

Legislation, Council Plan and Policy Impacts

The functions of the Valuer General Victoria are set out in Section 5 of the Valuation of Land Act 1960.

The Valuation Best Practice Specifications Guidelines (VBPSG) is a document made under Section 5AA of the Valuation of Land Act 1960, is updated annually and sets out the following requirements in respect to the preparation of the guidelines.

- The Valuer-General must prepare the VBPSG at the commencement of every annual general valuation.
- The VBPSG must be published on the Valuer-General's website.
- The Valuer-General may amend the VBPSG during the revaluation period.
- The Valuer-General must publish any amendment to the guidelines on the website, specifying the nature of the amendment, the reason for it and the date the amendment is effective.

VBPSG provides a framework of processes, tasks and outputs required for the return of a general valuation that meets all qualitative and legislative standards approved by the Valuer-General.

Risk Management

The quality and timeliness of the delivery of the valuation and related services is vitally important, as Council and other rating and taxing authorities are dependent on the valuation to apportion the amount of rates to be paid by each property owner.

The Valuer-General, as Victoria's valuation authority has jurisdiction over municipal valuations and must certify the valuation.

The Contract Valuer must maintain complete confidentiality of Councils information both during and after the valuation task and demonstrate that no conflicts of interest will be created during the valuation process.

Environmental and Sustainability Considerations

Nil

Community Consultation and Communication

There is a significant customer service focus associated with the valuation service.

The number of properties inspected by the contract valuer is not to be less than 33 percent of the total number of residential and rural assessments.

Further community engagement will occur with the valuer should there be any enquiries or objections to valuations.

The preparation and printing of rate notices will occur following the decision. Valuation and rate notices will be issued in August.

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 figures provided by the Valuer General Victoria as at 1 January 2020 and certified as generally true and correct on 18 May 2020 be received and used as the basis of rates and charges for the 2020/21 Budget.

COUNCIL RESOLUTION

MOVED: Cr Brown
SECONDED: Cr Dunkley

That the figures provided by the Valuer General Victoria as at 1 January 2020 and certified as generally true and correct on 18 May 2020 be received and used as the basis of rates and charges for the 2020/21 Budget.

CARRIED

10.5 Review of Instrument of Delegation - s5 Instrument of Delegation from Council to CEO

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Karly Saunders, Governance Coordinator
Attachments: 2. s5 Instrument of Delegation from Council to the Chief Executive Officer

Executive Summary

Section 11 of the *Local Government Act 2020* ('the Act') empowers Council to delegate various duties, functions and powers to the Chief Executive Officer (CEO).

The s5 Instrument of delegation was amended on 1 April 2020 to ensure business continuity for operations of Council could continue during the COVID-19 pandemic.

The *COVID-19 Omnibus (Emergency Measures) Act 2020*, received royal assent on 24 April 2020, which provides Councils greater flexibility to meet virtually if required.

Therefore the s5 Instrument of Delegation no longer needs to include clauses relating to COVID-19, now that the Act has been passed.

Further, Maddocks have since released an updated Instrument of Delegation from Council to the CEO to reflect the recent changes to the *Local Government Act 2020* and references to the *Local Government Act 1989* have been updated accordingly.

Discussion

The Act, and a variety of other legislation, makes express provision for the appointment of delegates to act on behalf of Councils and delegation of powers is essential to enable day to day decisions to be made and for the effective operation of the organisation.

The Instrument of Delegation from Council to the CEO was made on 1 April 2020. Through this Delegation, Council delegates all of its powers to the CEO with a few exceptions which are detailed in the attached Instrument.

Council is a legal entity composed of its Councillors, which acts in one of two ways – by resolution or through another acting on Council's behalf. Resolutions made at Council meetings must be undertaken by Councillors being physically present at Council meetings.

The April Instrument was amended to ensure a contingency plan was in place should the impact of the COVID-19 result in the inability to conduct Council meetings due to restrictions imposed externally; or the failure to gain a quorum owing to Councillors not being able to participate in person due to an inability to attend, illness or complying with isolation requirements.

The introduction of the *COVID-19 Omnibus-19 (Emergency Measures) Act 2020*, which is in place until 1 November 2020, eliminates the risk of Council being unable to meet, as the Act allows for virtual Council meetings and as such, the Instrument of Delegation no longer needs to provide for this circumstance.

The attached Instrument has been updated and is provided to Council for review and consideration –

- The CEO financial delegation for awarding a contract has been decreased from \$250,000 to \$150,000
- The following references have been removed:
 - If Council is unable to meet to consider and approve contracts exceeding \$250,000, the financial limit that applies to the CEO delegation is limited to \$1,000,000; and
 - this delegation is referred back to Council once the impacts of COVID-19 cease or September 2020 whichever is later.

The CEO financial delegation from 1 April 2020, was not exercised.

The Instrument also reflects Maddocks most recent update from April 2020, to reflect the changes of the *Local Government Act 2020*, the changes include the addition of the following in relation to powers that are not delegated:

- appointing an Acting Chief Executive Officer for a period exceeding 28 days;
- election of a Mayor or Deputy Mayor;
- granting of a reasonable request for leave under section 35 of the Act;
- making any decision in relation to the employment, dismissal or removal of the Chief Executive Officer;
- adoption or amendment of any policy that Council is required to adopt under the Act;
- adoption or amendment of the Governance Rules;
- borrowing money;
- subject to section 181H(1)(b) of the Local Government Act 1989, declaring general rates, municipal charges, service rates and charges and specified rates and charges.

Financial and Resource Implications

Council subscribes to the Delegations and Authorisations service provided by Maddocks Lawyers, the cost of which is provided for in Council's budget.

There are no other financial implications in reviewing the Instrument of Delegation.

Legislation, Council Plan and Policy Impacts

Objective 1 Leadership and Good Governance

Outcome 1.1 Soundly Based Decisions

Strategy 1.1.1 - Base decisions on the highest available level of professional advice and expertise

Strategy 1.1.2 - Develop and enact policies, plans and strategies to ensure consistency in decision making

Strategy 1.1.4 - Work together to develop a highly responsive Council organisation.

Strategy 1.1.5 - Provide timely and accurate advice.

Risk Management

The use of the Maddocks service alleviates the potential risk of staff not being appropriately authorised in the exercise of various powers and functions. The updates are done regularly and capture any legislative changes. The service is available to all Victorian Councils which enables consistency.

Environmental and Sustainability Considerations

Many of the activities undertaken by staff on behalf of Council have social, economic or environmental effects, including many of the powers included in the instruments of delegation. The Instruments of Delegation ensure that the decisions are made by the most appropriate person or persons with the organisation.

Community Consultation and Communication

There is no requirement for community consultation in relation to the review of the Delegations.

The Instrument is available for viewing on Council's website and is also available for public inspection.

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

In the exercise of the power conferred by s 11(1)(b) of the *Local Government Act 2020*, Council resolves that:

1. There be delegated to the person holding the position, or acting in or performing the duties, of Chief Executive Officer the powers, duties and functions set out in the attached *Instrument of Delegation to the Chief Executive Officer*, subject to the conditions and limitations specified in that Instrument.
2. The instrument comes into force immediately the common seal of Council is affixed to the instrument.
3. On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked.
4. The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

COUNCIL RESOLUTION

MOVED: Cr McAdam

SECONDED: Cr Brown

In the exercise of the power conferred by s 11(1)(b) of the *Local Government Act 2020*, Council resolves that:

1. There be delegated to the person holding the position, or acting in or performing the duties, of Chief Executive Officer the powers, duties and functions set out in the attached *Instrument of Delegation to the Chief Executive Officer*, subject to the conditions and limitations specified in that Instrument.
2. The instrument comes into force immediately the common seal of Council is affixed to the instrument.
3. On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked.
4. The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

CARRIED

10.6 Update on the Progress of the 2019-2020 Capital Works 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 2019-2020, over \$23M was allocated to capital works projects across the Shire with this being forecast to just over \$24M with deferred and carry forward projects. This report indicates the progress to date on the capital works program. Assessments of the capital program delivery is to the 30 April 2020 and compares actual and forecast targets along with a forecast for the Capital Works completion by the end of the financial year.

Southern Grampians Shire Council has started 172 projects with 150 of those now complete. This equates to 97.7% of the capital works program started with 85% complete for the 2019-2020 FY.

Capital works projects have continued to progress even with the restrictions put in place over the last few months in relation to Covid-19.

This report is for noting by the Council.

Discussion

The capital program forms a significant proportion of Council's budget. In 2019-2020, over \$23M has been allocated to capital works projects across the Shire. Previous advice to Council has seen several projects deferred including Cox Street which was forecast to send \$3M in the FY. The works included:

- Road and Bridge Upgrades
- Footpaths
- Playgrounds
- Building Maintenance
- Culverts
- Kerb and Channel
- Recreation Centres and Facilities
- Cox Street Upgrade
- Industrial Land Project
- Landfill Projects
- Livestock Exchange Roof

Council has secured several funding sources to assist with the capital required to maintain its assets. These include:

1. Roads to Recovery (Federal Government) \$2.3M
2. Fixing Country Roads (State Government) \$1.35M
3. Black Spot Funding (Federal Government) \$260,000

These funding sources have enabled Council to undertake additional projects in order to minimise the increase in the asset backlog.

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 progress is important to ensure that the projects are delivered. This report looks at the actual delivery of the 2019-2020 capital program to the end of April 2020.

After Council adopted the 2019-2020 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 2019-2020 Budget listed 156 projects to be delivered across the range of areas listed above. These projects range from \$10,000 to \$4.5M. With carry forward and additional projects this has increased to 186.

Figure 1, Project Start Dates, shows a comparison between the forecast start date for projects and the actual start dates for projects.

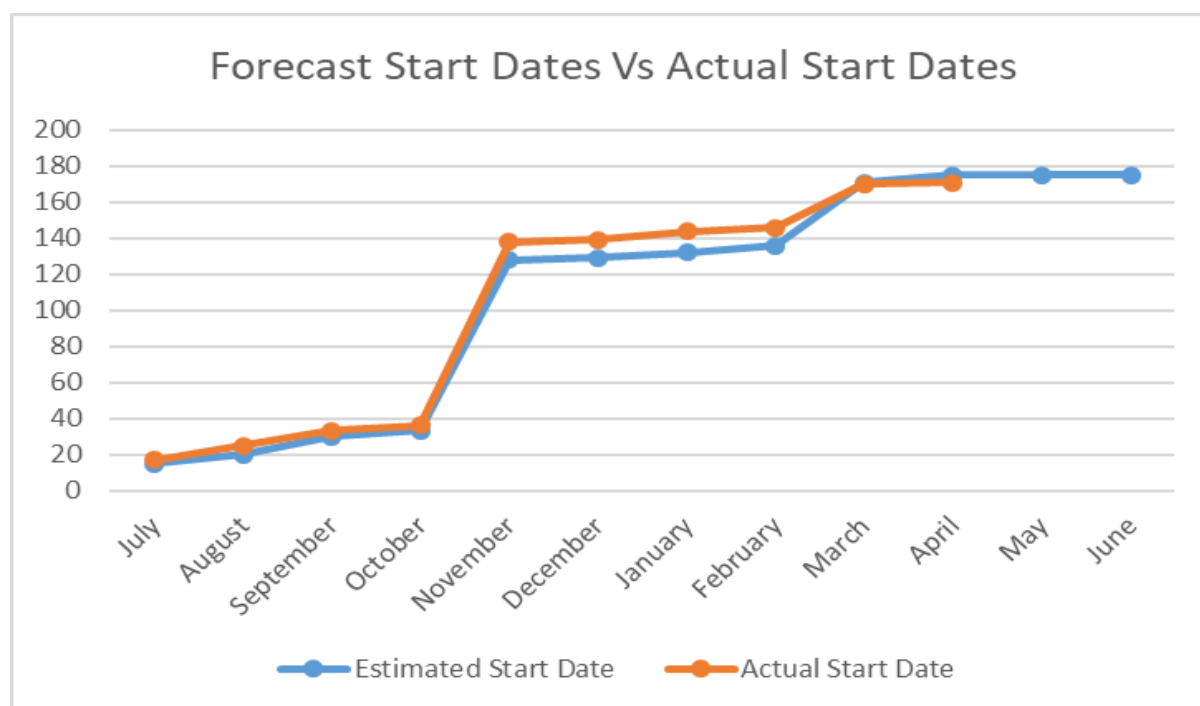


Figure 1 Project Start Dates

Figure 1 shows that Council is tracking just under forecast on projects started. This figure is excluding those projects which were deferred. This equates to 97.7% of the program has been started.

Figure 2, Project finish dates, shows the forecast finish dates for projects against the actual finish dates. Figure 2 shows Council is tracking to forecast for the completion of projects. Council forecast to complete 150 projects by April 2020 and actually completed 146. This equates to 85% of the program now being complete by the end of April 2020.

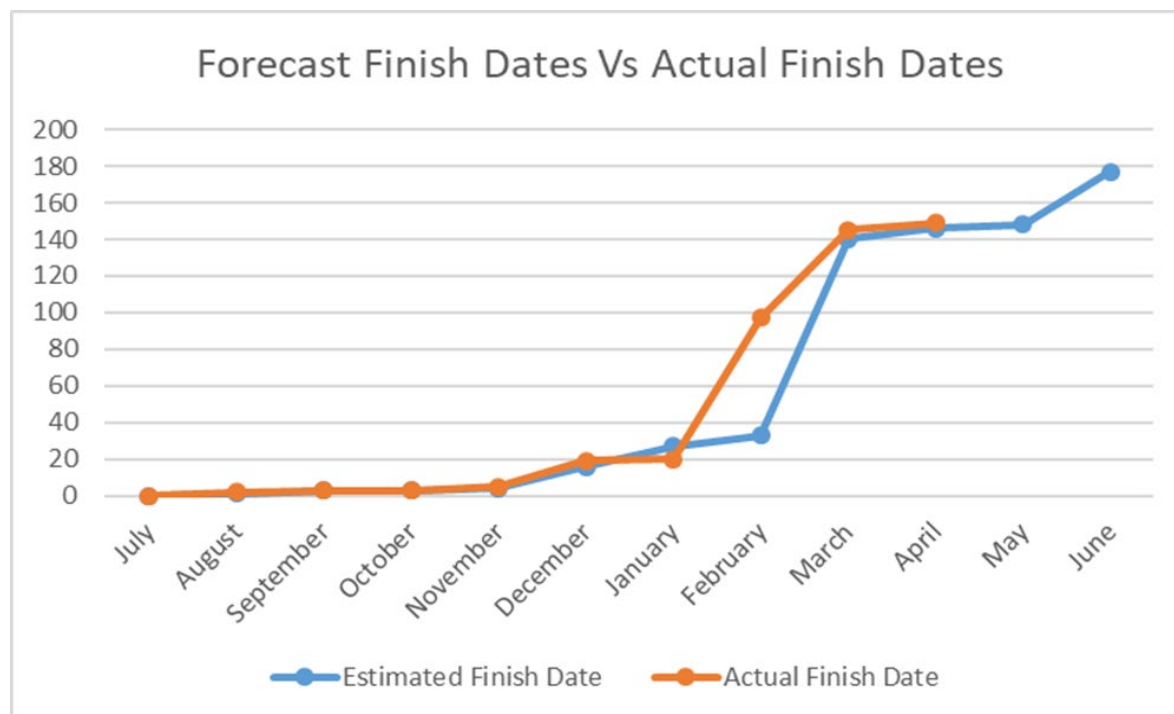


Figure 2 Project finish dates

Figure 3, Forecast Expenditure vs Actual Expenditure, shows the forecast expenditure vs the actual expenditure on projects. Figure 3 shows that expenditure is still relatively low when compared to the budget forecast.

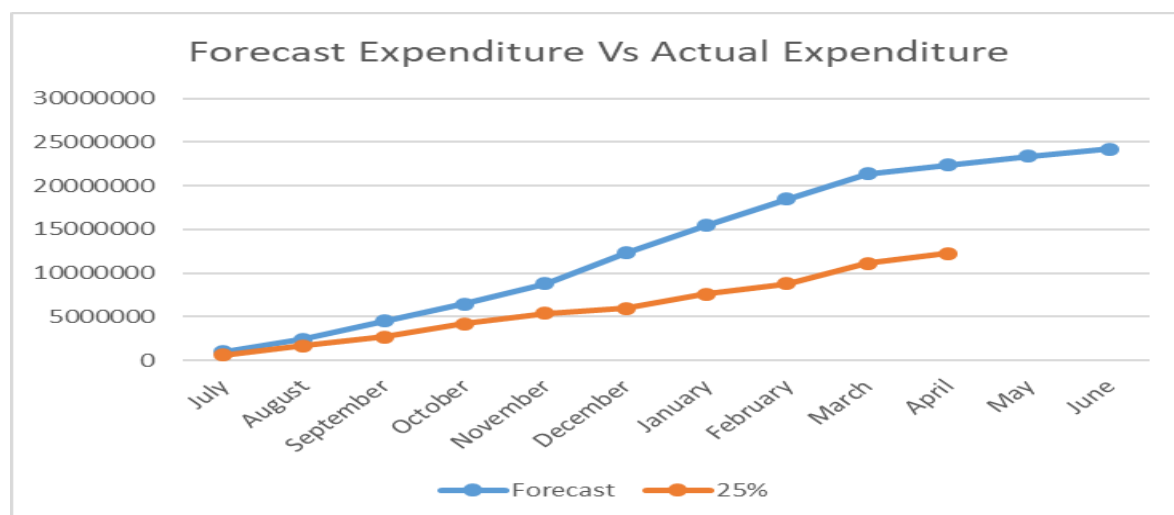


Figure 3 Forecast Expenditure vs Actual Expenditure

Project Status	Actual	Forecast	Planned
Not Started	4	3	0
Started	172	173	176
Completed	150	163	176
Deferred	10	10	10

Figure 4 Project Status Summary

Figure 4, Project Status Summary, shows the program against the planned program delivery.

Overall, there has been significant progress made in completing projects in the last few months which has placed Council in an ideal situation should construction works be closed down due to Covid-19 restrictions being tightened. While this looks unlikely at this stage, works continue to progress towards delivering the capital works program.

The major area of improvement has been in the early letting of contracts for works within the program. This has led to a significant uplift in projects being started earlier than previously done.

Figure 4, also provides a forecast of project status at the end of the financial year. The forecast suggests that there will be 98.3% of projects started in 2019-2020, with 92.6% of the projects being complete.

	Annual Budget	Proposed Budget	Actuals	Forecast to 30/4/2020
Budget Amount	\$ 23,445,707	\$ 24,202,972	\$ 12,259,576	\$ 22,363,759.3
		Actuals	\$ 12,259,576	
		Under Contract	\$ 5,352,013	
		Works Department	\$ 1,608,717	
		Ventures	\$ 2,009,531	
		Assets	\$ 1,730,752	
		Other Projects	\$ 1,242,384	
		Total	\$ 24,202,972	

Figure 5 Project Value breakdown

Figure 5 shows that expenditure is from \$11.1M in March to \$12.26M in April. This is still well below forecast. There is another \$5.3M in contracts already let for works to be delivered along with a further \$1.6M from the Works department.

Major projects such as the Industrial Estate continue to progress but expenditure on that project is still lower than forecast by around \$2M and approximately \$800K of Heavy fleet is has been awarded in May by is will be delivered in the next financial year.

Below is a list of all the deferred projects to date of which there are 10.

Deferred Project	Budget	Comment
Cox Street` Front Door` Precinct Streetscape Design Project	\$ 3,180,000	Awaiting Funding
Melville Oval Building Improvements	\$ 150,000	NY Budget
Pedrina Park - Hockey Clubrooms	\$ 100,000	NY Budget
Hmailton Landfill Capping Stage 5	\$ 1,100,000	NY Budget
Lake Hamilton - Dam Wall Reinstatement	\$ 1,100,000	Awaiting testing report
Business Systems - Civica ACTUS Smartphone App	\$ 25,000	Awaiting decision on Corporate system
Public Convenience - Strategy Implementation	\$ 200,000	NY Budget
Rural Road Reseals - Ardachy Estate Rd, Branxholme - Condah Coleraine Rd G70 to Coleraine Landfill Remediation	\$ 64,747	Timber Harvest to fund
Recreation & Lesiure Strategy Implementation	\$ 700,000	NY Budget
	\$ 500,000	NY Budget
Total	\$ 7,119,747	

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;
- 2019-2020 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

The progress report into the delivery 2019-2020 Capital Works Program is received by Southern Grampians Shire Council.

COUNCIL RESOLUTION

MOVED: Cr Dunkley
SECONDED: Cr Brown

The progress report into the delivery 2019-2020 Capital Works Program is received by Southern Grampians Shire Council.

CARRIED

10.7 56-18 Hamilton Gateway Business Park Subdivision – Variation to Contract

Directorate: David Moloney, Director Shire Infrastructure
Author: Rohit Srivastava, Manager Assets
Attachments: None

Executive Summary

Council awarded contract 56-18 Hamilton Gateway Business Park to Lake and Land Ltd on 10 January 2019 as a design and construct contract.

Variations to the contract have been submitted by and negotiated with the contractor to enable Council to have additional works be done in accordance with planned works. The approved variations (1-3) were within the delegation of the CEO with cumulative variation amount being \$67,210.

Variation – 4, \$188,725 was approved at Council's Feb'20 meeting and increased the Contract value to \$3,674,116.82.

Variation 5 (\$315,595.41) has been submitted by the Contractor to meet VicRoads intersection requirements.

It is recommended that Council approve Variation 5 and make the new contract value to \$3,989,712.23 (Excl GST).

Background

Council awarded the contract to design and construct Hamilton Gateway Business Park to Lake and Land Ltd on 10 January 2019 for a Contract Value of \$3,418,181.82.

Over the course of delivering the project there have been 4 variations approved as per the procurements guidelines.

Variation 1: Processed and approved, had no financial implication to the Contract.

Variation 2: \$20,610, was approved to enable the redesign of the VicRoads traffic intersection.

Variation 3: \$46,600, was approved to enable construction of additional sewer extensions as requested by Wannon Water.

Variation 4: \$188,725, was approved at Feb'20 Council Meeting to enable robust stormwater network to meet the drainage requirements.

An additional variation has been received as follows:

Variation 5: \$315,595.45, is required to cover the VicRoads intersection costs.

Considering all the Variations (1-5), the overall Contract variation would be \$571,530.45 (Excl. GST) and make the overall Contract value to \$3,989,712.27 (Excl. GST).

Discussion

Hamilton Gateway Business Park Subdivision, is a design and construct contract awarded to Lake and Land. During tender stage the concept plan to join the Hamilton-Port Fairy road was indicated and the tenderer had subsequently budgeted for the same.

A functional & detailed design for the intersection was prepared and submitted to VicRoads for review and comments. The functional design has been approved by VicRoads and there is requirement of widening the highway, along with construction of cross overs. Detailed design has minor comments which the contractor is accommodating.

The contractor has submitted a variation to complete the works as per VicRoads standards and requirements.

We have budgeted to accommodate this works (variation) within the Council's project budget from the beginning.

The project budget status is shown in the table below:

Budget	Amount
Overall Project Budget for 2019/20 (revised/reduced in March'20)	\$4,693,295
Contract Value	\$ 3,418,181.82
Variation 1	-
Variation 2	\$20,610
Variation 3	\$46,600
Variation 4	\$188,725
Variation 5	\$315,595.41
Total amount of Contract Variations 1-5	\$571,530.41
Revised Contract Value	\$3,989,712.23
Other project committed expenses – Wannon Water, NBN, Gas, PowerCor	\$247,300.32
TOTAL Project cost	\$4,237,012.55

The above table shows that the award of the variations does not require extra funding, the overall project budget is \$4,693,295 against the revised project cost of \$4,237,012.55 (including Variation 5).

A snapshot from the Procurement Policy is presented below:

Procurement Guidelines - Variation Delegations

New Contract Value Including all Variations	Variation % (whether one or more variations)	Process type	Approval by
\$150,000.00 and above	Variation less than 20% and less than \$75,000	Variation Certificate	Approved by Chief Executive Officer
\$150,000 and above	Variation greater than \$75,000	Council Report	Approved by Council at monthly meeting

Procurement Guidelines – Variation Delegations

Variations 1-3 were processed at CEO's delegation, Variation 4 was approved by the Council in its Feb'20 meeting. Variation 5 is over \$75,000 & require Council resolution.

Financial and Resource Implications

- The project is budgeted within the Council's capital works programme for the financial year 2019/2020;
- Overall, the project will be within the budgeted amounts;
- Considering above, there are no financial implications on the Council.

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:

- 2019-2020 Southern Grampians Shire Council Budget.
- 2017-2021 Council Plan – 5.1.2 Ensure responsible, effective and efficient use of Council resources
- SGSC Procurement Policy and Guidelines

Risk Management

What are the benefits/risks?

- The intersection of Hamilton Business Park will be constructed as per the VicRoads standards and enable reduced risks to road users.

Environmental and Sustainability Considerations

Council officers and the Contractor has considered the environmental impacts – usage/disposal of materials on the project.

Community Consultation and Communication

Council officers have kept the stakeholders informed on the progress of the project.

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.

The evaluation panel affirm that no direct or indirect interests need to be declared in relation to any matters in this Report:

RECOMMENDATION

That Council approve under Contract 56-18 Hamilton Gateway Business Park:

- Variation 5 for \$315,595.41 (Excl. GST) increasing the contract value to \$3,989,712.23 (Excl. GST)

COUNCIL RESOLUTION

MOVED: Cr Brown

SECONDED: Cr Calvano

That Council approve under Contract 56-18 Hamilton Gateway Business Park:

- **Variation 5 for \$315,595.41 (Excl. GST) increasing the contract value to \$3,989,712.23 (Excl. GST)**

CARRIED

10.8 Contract 47-19: Budget Reallocation and Variation for Byaduk-Ardoon Road Bridge Replacement

Directorate: David Moloney, Director Shire Infrastructure
Author: Rohit Srivastava, Manager Assets
Attachments: None

Executive Summary

In the 2019-2020 budget the Byaduk-Ardoon Bridge was identified for replacement with a budget allocation of \$366,173.00 (excl. GST). This bridge is a timber bridge and is to be replaced with a concrete bridge.

Council awarded Tender 47-19 Byaduk-Ardoon Road Bridge Replacement to APCR McDonald Construction with a total sum of \$323,065.45 (Excl. GST).

At March 2020 Council Briefing, savings from capital projects were identified. Council has further managed to make savings through efficient delivery of projects and reallocation of projects across funding streams

In order to cover the additional costs of the bridge replacement, funds will need to be allocated from these savings to the Byaduk Ardoon Bridge replacement.

It is recommended that Council:

1. Reallocate \$75,000 from identified savings to the Byaduk-Ardoon Bridge; and
2. Approve Variation 2, to the value of \$36,577.05 (Excl. GST) and for a new Contract value of \$420,713.32 (Excl GST)

Background

The replacement of Byaduk-Ardoon Bridge was part of the current year's capital works programme. The project was awarded to a local contractor, APCR McDonald Construction to the value of \$323,065.45 (Excl. GST).

Contractor faced foundation issues at the site, the depth of rock was found to be deeper than the designed depth. To resolve the issue, Pile Foundation was proposed by the Consultant & subsequent variation of \$61,070.82 was approved, as per the Procurement Guidelines by the Chief Executive Officer.

Early on in the pile foundation was explored at site by the Contractor and drilling issues were communicated to the design consultant. Subsequently, Concrete Pad Foundation was designed and agreed considering the site conditions resulting in a reduction to Variation 1 of \$57,564.55.

Further Variation of \$94,141.60 (excl. GST) has been received towards the revised construction, to meet the revised design requirements.

Variation 1: \$61,070.82 (Excl. GST) was approved as per the Procurement Guidelines to adopt foundation construction and site maintenance costs was reduced to \$3,506.27 (Excl. GST).

After the redesign to a concrete pad foundation Variation 2 was submitted:

Variation 2: Contractor has submitted a variation to the value of \$94,141.60 (Excl. GST) to adopt to Concrete Pad Footings construction costs.

Discussion

Reallocation of Budget

At March 2020 Council Briefing, it was briefed savings in the capital works program and reallocated some of the savings. Since this briefing, further savings have been realised due to the efficient delivery of projects and reallocation projects among funding streams.

The additional a savings identified totalled \$455,596 (Excl. GST).

Byaduk-Ardoon Bridge construction has some unforeseen costs related to foundation design due to local geology requiring an additional \$75,000 to be reallocated from the savings in the capital works program to this project.

This will bring the total project allocation to:

Original Budget Allocation:	\$366,173.00 (Excl. GST)
Reallocated amount:	\$ 75,000.00 (Excl. GST)
<u>New Budget Allocation:</u>	<u>\$441,173.00 (Excl. GST)</u>

The additional allocation over the contract value will allow Council to be responsive if further small variations are required.

Variations Approval

The current total of the Variations for the project now stands at:

Variation 1:	\$ 3,506.27 (Excl. GST)
Variation 2:	\$94,141.60 (Excl. GST)
<u>Total Variations</u>	<u>\$97,647.87 (Excl. GST)</u>

With the variations now exceeding the CEO's delegation for a project over \$150,000 with variations totalling over \$75,000 or 20% of the project value, in accordance with Council's Procurement Policy, the variation needs a resolution of Council.

The new contract value will be:

Contract Award Value:	\$323,065.45 (Excl. GST)
Total Variations:	\$ 97,647.87 (Excl. GST)
<u>New Contract Value:</u>	<u>\$420,713.32 (Excl. GST)</u>

The additional budget will ensure the project is complete to standards and it is expected to be complete in August 2020.

Financial and Resource Implications

- The project is budgeted within the Council's capital works programme for the financial year 2019/2020;
- Overall, the project will be within the budgeted amounts;
- Considering above, there are no financial implications on the Council.

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:

- 2019-2020 Southern Grampians Shire Council Budget.
- 2017-2021 Council Plan – 5.1.2 Ensure responsible, effective and efficient use of Council resources
- SGSC Procurement Policy and Guidelines

Risk Management

What are the benefits/risks:

- The risks of price variation has been considered.
- Starting works before getting Works on Waterways permit;

The above is being mitigated by having a robust project management practices and checklist before starting physical works.

Environmental and Sustainability Considerations

Catchment Management Authority would be contacted to agree on a Environmental Management Plan (EMP) for the physical works. The selected contractor for Bridge strengthening would be selected on the previous successfully completed projects.

Community Consultation and Communication

The Council officers will contact the affected residents in the neighbouring areas for any road closures. Officers will also contact emergency services, affected bus routes (if any) as part of the communications plan.

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.

The evaluation panel affirm that no direct or indirect interests need to be declared in relation to any matters in this Report:

RECOMMENDATION

That Council:

1. Reallocate \$75,000 within the capital works projects to fund Byaduk-Ardoon Bridge Construction; and
2. Approve Variation 2, for the overall value of \$36,577.05 (Excl. GST) and make a new Contract value of \$420,713.32.

COUNCIL RESOLUTION

MOVED: Cr Rainsford
SECONDED: Cr Dunkley

That Council:

- 1. Reallocate \$75,000 within the capital works projects to fund Byaduk-Ardoon Bridge Construction; and**
- 2. Approve Variation 2, for the overall value of \$36,577.05 (Excl. GST) and make a new Contract value of \$420,713.32.**

CARRIED

10.9 1-20 Provision of Electrical Services

Directorate: David Moloney, Director Shire Infrastructure
Author: Brett Holmes, Team Leader Works
Attachments: None

Executive Summary

Council undertakes an expression of interest for suitable contractors to undertake contract 1-20 Provision of Electrical Services as part of Council's annual maintenance programme

Tenders were publicly advertised on 24 February 2020 for the Provision of Electrical Services to be undertaken on an annual basis. The tender closed on 10 March 2020.

The tender received 1 (one) submission and based on technical and financial evaluation the recommendation is to award the contract to Twelfth Ceryne Pty Ltd t/a Creek Electrical Services for the period of 3 years (three) with two one year options to extend.

Discussion

Council tendered to engage suitable qualified and experienced contractor for the Provision of Electrical Services to complete maintenance works on approximately 100 buildings, facilities and structures of varying classes of occupancy- from major municipality buildings to minor sporting pavilions and community facilities.

Council has previously had generic annual supply contracts (1090-15) for goods and services, but are now moving in a more strategic direction towards service specific contracts.

Awarding this contract will allow for continuity of service provision to Council by this supplier under a contract which addresses the delivery of electrical services only. Council engages local contractors for electrical works on a regular basis to complete maintenance works and has an established relationship with the recommended contractor.

The following tender submissions were received:

- Twelfth Ceryne Pty Ltd t/a Creek Electrical Services (schedule of Rates);

Company Name	Qualitative score (%)	Moderated Total Price	Quantative Score (%)	Total Score
Creek Electrical Services	96.80%	\$0.00		

- No Non-Conforming Tenders were received.**

1 (one) tender submission was received from the public advertising. Council has used other Electrical Contractors in the past, but no other contractors submitted to be a part of this contract. Creek Electrical Services have performed extensive work for Council previously.

Financial and Resource Implications

All maintenance works completed under this contract will be costed to existing work orders set-up for maintenance works- both reactive and preventative.

Any major works required will be subject to Council's Procurement Policy.

Legislation, Council Plan and Policy Impacts

The process in awarding this contract is supported by the 2017 – 2021 Council Plan in the following strategies:

- 3.1.4 Develop the Shire's facilities, programs and services to increase usage;
- 3.2.3 Provide infrastructure that supports an active community;
- Plan for Built Environment Infrastructure

Risk Management

This contract achieves the best value for money and services by assuring the works are completed in a timely fashion, to a high standard and conform to OH & S requirements.

The recommended contractor has submitted all relevant insurance documents, OH & S policy, required safe work method statements, relevant qualifications and licences of all staff currently employed by the contractors.

Previous performance of similar works was also strongly considered.

Environmental and Sustainability Considerations

Creek Electrical Services have submitted its Environmental Policy which covers various aspects of sustainability including using green products where possible, specific energy efficient light bulbs for replacement if applicable and disposing of rubbish and general waste in the correct manner- recycling where possible.

Community Consultation and Communication

Works are completed as required and where appropriate affected community members will be notified prior to work commencing.

Public notice was given of the tender in accordance with section 186 of the Local Government Act 1989 and the tender process complied with Council's Procurement Policy.

Tenderers will be notified by the Procurements Officer of the decision made by Council at its meeting on 10 June 2020.

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.

The evaluation panel affirm that no direct or indirect interests need to be declared in relation to any matters in this Report:

- Brett Holmes, Team Leader Works;
- Ian McLean, Facilities Maintenance Coordinator;
- Mike Shanahan, Health & Safety Officer;
- Janelle Dahlenburg, Contracts / Procurement Officer

RECOMMENDATION

That the:

1. Tender received from Twelfth Ceryne Pty Ltd t/a Creek Electrical Services for nominated Schedule of Rates be accepted.
2. Contract documents be signed and sealed when prepared.

COUNCIL RESOLUTION

MOVED: Cr Calvano
SECONDED: Cr McAdam

That the:

1. **Tender received from Twelfth Ceryne Pty Ltd t/a Creek Electrical Services for nominated Schedule of Rates be accepted.**
2. **Contract documents be signed and sealed when prepared.**

CARRIED

11 Notices of Motion

11.1 Notice of Motion #6/20

Cr Calvano

I hereby give notice of my intention to move the following motion at the Ordinary Council Meeting to be held on 10 June 2020

MOTION

That Council include in the proposed budget for 2020/21 the sealing of Kurtzes Road Hamilton between Chatsworth and W Schulz Road Hamilton at an estimated cost of \$150,000.

Background

Under current zoning, this section of Kurtzes Road cannot be further subdivided. This area has had substantial growth in recent years with close to 30 new houses being built. A school is situated on the corner of Chatsworth Road and Kurtzes Road. This road has high traffic movement from school drop off/pick up, local residents and other frequent users.

This road becomes very corrugated and causes large amounts of dust to drift over residents roofs and school users

During wet periods this section of road becomes a driving hazard with water flowing down the wheel tracks to a natural water course which floods over the road and becomes impassable because the culvert is too small and very inefficient.

The safety of students and road users should be considered. The sealing of this section of road would encourage further housing, employment, population growth and complete a sealed road link.

This section of Kurtzes Road has an approved Business Case from 2015/16 when the average daily road count was in the 50's. In late 2018 the road count had quickly grown to 92 trips per day. The Infrastructure Design Manual (IDM) adopted by the Southern Grampians Shire shows a road with between 50 - 150 trips per day should be sealed to 4 metres.

This section of road is now not up to a suitable standard for this growth area and requires urgent upgrading and sealing.

Officers Comments

Council has considered Kurtzes Road Upgrade on the following occasions over the last 4-5 years including the following:

Budget Submissions – 2016-2017 Budget
Ordinary Meeting of Council September 2016 – Council Report
Ordinary Meeting of Council May 2017 – Council Report
Budget Submission – 2019-2020 Budget

Ordinary Meeting of Council August 2019 – Council Report
Ordinary Meeting of Council December 2019 – Council Report

During the 2015/16 budget submission process a commitment was undertaken to develop a business case for this project in the next budget cycle.

A Business Case was put forward for this road upgrade during the budget development however, when all works were prioritised in accordance with council policy and process, the project was not included.

In addition, consideration of the upgrade has been included in the business case listings in the budget at other times however, when all works were prioritised in accordance with council policy and process, the project was not included.

In 2017 SGSC adopted its Services and Assets Management Policy. The policy prioritised renewals over any new or upgrades. It also stated that any new or upgraded assets would need external funding. The assessment of the project in 2015 business case list was assessed under different Asset Management Policy to that of post 2017.

Kurtzes Rd has been before Council and has been the basis of numerous Council reports and investigations in special charge schemes but Council was unable to declare a SCS in any of those occasions due to the residents not wanting a SCS.

In adherence to a Council resolution from February 2020, Officers have been developing and have briefed Council on a proposed process for identifying and prioritising road upgrades and a review of the Asset Management Policy but no assessment has been made under the proposed process at this stage.

COUNCIL RESOLUTION

MOVED: Cr Calvano
SECONDED: Cr Rainsford

That Council include in the proposed budget for 2020/21 the sealing of Kurtzes Road Hamilton between Chatsworth and W Schulz Road Hamilton at an estimated cost of \$150,000.

The MOTION was PUT and LOST

11.2 Notice of Motion #7/20

Cr Calvano

I hereby give notice of my intention to move the following motion at the Ordinary Council Meeting to be held on 10 June 2020

MOTION

That Southern Grampians Shire Council as a member of the Rail Freight Alliance support the policy position for the State to plan for all Victoria freight lines to be standardised by 2025. Resource and maintain the Victorian rail freight network.

Background

Issues

The basic model of railway freight organisations in Victoria is that the State provides infrastructure and regulates the system, whilst private firms such as Pacific National and Qube operate trains, paying a fee for access to the track infrastructure. Whereas there is a multiplicity of operators on the national standard gauge rail system, the remaining broad gauge network has limited competition. Competition may be around price but can also include type and frequency of service, the type of contracts offered, and innovation in locomotives and rolling stock in the interests of users. The Alliance has long advocated for standardisation of the remaining broad gauge freight network on the basis of improved competition.

Alliance Policy

The Alliance considers that competition within the Victorian rail freight market is an important goal. The Alliance considers that competition in the sector is likely to be enhanced as more of the rail freight system is standardised.

Officers Comments

Southern Grampians Shire Council has been and remains an active member of the rail freight alliance. To formally support the relevant RFA policies gives authority to our delegated representative to speak on behalf of Council on these policy positions.

The issue of not having a national standard gauge creates barriers and reduces opportunities in areas particularly like Hamilton and Southern Grampians for an Intermodal Freight Terminal is to be fully utilised, effective and efficient.

COUNCIL RESOLUTION

MOVED: Cr Calvano
SECONDED: Cr McAdam

1. That Southern Grampians Shire Council as a member of the Rail Freight Alliance support the policy position for the State to plan for all Victoria freight lines to be standardised by 2025
2. And the Victorian State Government resource and maintain the Victorian rail freight network.

CARRIED

12 Delegated Reports

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

12.1 RAIL FREIGHT ALLIANCE

Cr Calvano reported on his attendance at the Rail Freight Alliance Committee meeting held virtually on 15 May 2020.

12.2 HAMILTON REGIONAL LIVESTOCK EXCHANGE ADVISORY COMMITTEE

Cr McAdam reported on his attendance at the Hamilton Regional Livestock Exchange Advisory Committee meeting held virtually on 18 May 2020.

12.3 AUDIT AND RISK COMMITTEE

Cr Dunkley reported on his and Cr Rainsford's attendance at the Audit and Risk Committee meeting held virtually on 21 May 2020

12.4 BARWON SOUTH WEST WASTE AND RECOVERY GROUP

Cr Rainsford reported on her attendance at the Barwon South West Waste and Recovery Group meeting held on 14 May 2020

12.5 GREAT SOUTH COAST GROUP

Cr Sharples reported on his attendance at the Great South Coast Group Mayors weekly meetings held virtually.

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.

14 Confidential Matters

RECOMMENDATION

That the following items be considered in Closed Council as specified in section 66 (2) (a) and referenced in section 3(1), Confidential Information (g) private commercial business information of the *Local Government Act 2020*.

COUNCIL RESOLUTION

MOVED: Cr Brown
SECONDED: Cr Armstrong

That the following items be considered in Closed Council as specified in section 66 (2) (a) and referenced in section 3(1), Confidential Information (g) private commercial business information of the *Local Government Act 2020*.

CARRIED

14.1 Hamilton Regional Livestock Exchange – Strategic Operations

15 Close of Meeting

This concludes the business of the meeting.

Meeting closed at 6:55 pm.

Confirmed by resolution 8 July 2020.

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Chairman