



Agenda

Council Meeting

26 June 2019

## **Our Vision**

Happy, healthy people sharing prosperity and knowledge from living sustainably and in harmony with our rural identity, thriving villages, productive and inspiring landscapes.

## **Our Mission**

Leaders in delivering quality, innovative and community focused services today that make a difference for tomorrow.

## **Core Values**

### **Community focused**

*Accessible, responsive (we're here to help), can do attitude, communicative, empathetic.*

### **Integrity**

*Equitable, honest, ethical, transparent.*

### **Respect**

*Listening, compassionate, open minded, understanding, patient.*

### **Pride**

*Caring, enthusiastic, inspiring, accountable.*

### **Innovation**

*Creative, bold, challenging, flexible.*

### **Collaboration**

*Partnering, building productive relationships, inclusive.*

# Agenda

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**1. OPENING AND RECOGNITION OF TRADITIONAL CUSTODIANS**

I would like to acknowledge the Traditional Owners of the land on which we are meeting, the Gunaikurnai People. I pay my respects to their Elders both past and present, and Elders of other communities who may be here today.

**2. READING OF AFFIRMATION AND PRAYER**

Cr Power will read the Councillors affirmation, being, 'We now pause to reflect upon the solemn responsibilities conferred on us by the Parliament of Victoria through the *Local Government Act (1989)*.

We acknowledge that it is the responsibility of local government to ensure the peace, order and good governance of our Shire.

We are to be responsible and accountable to our community here in Baw Baw Shire through good governance and leadership.

Almighty God,

Give wisdom and understanding to the members of this Baw Baw Shire Council.

In all our deliberations help each of us to listen carefully, perceive the best course of action have courage to pursue it and grace to accomplish it.

Amen

**3. APOLOGIES**

**4. CIVIC CEREMONIES**

**5. CONFIRMATION OF PREVIOUS MEETING MINUTES**

**6. COUNCILLORS DECLARATIONS OF INTEREST/CONFLICT OF INTEREST**

**7. MEETING CLOSED TO THE PUBLIC: RELEASE OF INFORMATION TO THE PUBLIC**

Council held an Urgent Confidential Council meeting at 5pm Wednesday 19 June 2019. The meeting discussed a confidential legal matter and Council cannot release any information to the public at this time. The meeting was closed in accordance with Section 89 (2) (f) of the *Local Government Act 1989*.

## **8. COMMUNITY PARTICIPATION TIME**

### **8.1 QUESTIONS ON NOTICE**

### **8.2 SUBMISSIONS**

Any community member is welcome to comment or ask questions on any of the officer reports listed in this agenda if it has not been part of another hearing process.

Submitters will be given up to 3 minutes to speak on their submission.

## **9. PETITIONS**

## 10. VIBRANT COMMUNITIES

### 10.1 RECREATION MASTER PLAN REVIEWS

*Recreation Project Officer*

*Directorate: Community Assets*

*Ward: All*

*Appendix: 8 attachments*

#### **PURPOSE**

For Council to consider the 2019 revised masterplans following feedback received during round two consultation.

#### **RECOMMENDATION**

That Council adopts the 2019 revised masterplans for the Warragul Outdoor Recreation Plan, Drouin Recreation Plan, Trafalgar Recreation Precinct Master Plan, Downton Park Masterplan, Rural Recreation Reserve Masterplans and the Baw Baw Equestrian Centre Masterplan (as per Attachments 2-7).

#### **KEY ISSUES**

- The Recreation Strategy 2017-2027 contains the following recommendation “E9 - Review all recreation reserve master plans every four (4) years to update outstanding recommendations and to ensure they are still relevant.”
- At the 12 September 2018 Council meeting, Council resolved to commence the process of reviewing the Warragul Outdoor Recreation Plan, Drouin Recreation Plan, Trafalgar Recreation Precinct Master Plan, Downton Park Masterplan, Rural Recreation Reserve Masterplans (Stage 1 only including, Athlone, Buln Buln, Ellinbank, Hallora, Jindivick, Neerim South and Rawson) and the Baw Baw Equestrian Centre Masterplan.
- At the 27 March 2019 Council meeting, Council noted the draft revised masterplans and placed them on public exhibition for a four-week period commencing 28 March and concluding on 26 April 2019.
- 20 submissions were received during round two consultations on the drafts (refer summary in Attachment 1). Meetings were also held with the Warragul Tennis Club, Riding Develops Abilities Warragul, 1<sup>st</sup> Mountain Rivers Scouts and Cubs (Rawson), Rawson Red Cross, Neerim South Committee of Management, Lardner Park and equestrian groups including West Gippsland Adult Riding Club, Drouin Pony Club and Warragul Pony Club.
- Material changes following public consultation on the draft masterplans pertain to Rawson in the Rural Recreation Reserve Masterplan and Logan Park in the Warragul Outdoor Recreation Plan. These are outlined below.

- At this point in time, it is considered economically unviable to provide an equivalent facility to Bell's Hall in Rawson. Council has recently installed a new floor at the facility. Whilst aesthetic improvements could be made, there is no immediate need for works, and in its current form is suitable for the primary user; 1<sup>st</sup> Mountain Rivers Scouts and Cubs.
- At Logan Park in Warragul, it is recommended that the size of the wetland (W16/ DR-SE-02) outlined in the adopted Warragul Urban Drainage Strategy and Warragul Precinct Structure Plan is reviewed to ensure the existing paddocks used by Riding Develops Abilities (RDA) to house their horses remain. RDA provides a critical service to the health and wellbeing of some of our most vulnerable children and adults, who logistically rely on its convenient Warragul location. Water treatment options will need to be considered as part of the Precinct Structure Plan review.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

- Master plans provide the strategic justification and evidence of consultation required for both Council and community groups to apply for external funding with both the state and federal governments.
- Projects have been scored and prioritised utilising the 'Facility Prioritisation Assessment Matrix' from the adopted 2017-2027 Recreation Strategy. These have been considered on a Shire wide basis under asset class categories (refer attachment 8) and once adopted, will be referred to the Long-Term Infrastructure Plan.
- Scoring and prioritisation will need to be reviewed annually as part of the budget process to reflect updated participation data and any revised costings as further designs or investigations are carried out.
- In some instances, projects may be delivered out of priority sequence due to external funding opportunities and criteria, site or asset bundling opportunities (e.g. delivering related projects together to minimise user disruption or achieve cost efficiency) and budget constraints.
- Projects that are in the process of being delivered in the current financial year or projects that have been listed for delivery in the Draft Annual Budget in either the 2019-20 or 2020-21 financial years have been excluded from the scoring process.
- All projects where Council is not listed in the 'Stakeholder Responsibility' column remain listed in the Plans; however, these have not been scored or costed and will not be referred to Council's Long-Term Infrastructure Plan. This enables the responsible stakeholder to use the document as strategic justification for grant applications and choose their own scope and levels of service. Examples of these items include scoreboards, AFL goal netting, social facilities within existing sporting pavilions, etc.



- The total value of all listed projects across these masterplans is \$52,601,369. Of this total, \$9,213,880 are already funded or are included in Council's Draft Annual Budget for delivery in the 2019-20 or 2020-21 financial years. The value of remaining projects to be delivered is \$43,387,489.

### **Environmental Impact**

- A number of projects within the master plans are aimed at improving the environmental sustainability of facilities including reducing the use of potable water, utilising renewable energy sources and addressing erosion issues.
- Environmentally Sustainable Design (ESD) principles will be followed in the development of new facilities and redevelopment of existing facilities. ESD can reduce operating costs and environmental impacts while increasing building resilience. This aligns with Council's Environmental Sustainability Strategy 2018-2022.
- There have been some projects identified which could see potential conflict between the natural environmental setting of the reserves and the sporting activities undertaken at the sites. For example, potential tree removal may be required for projects at Balmoral and Bellbird Parks in Drouin; Eastern Park in Warragul and potentially Athlone, Yarragon and Neerim South. Tree assessments will be carried out for these areas and wherever possible impacts to trees and vegetation will be avoided and minimised.

### **Community Impact**

- These master plans impact many towns and reserves across the municipality. The sites are used by a wide range of stakeholders from sporting clubs and community groups to schools and casual recreation users.
- Master plans help set a clear direction for Council, clubs and the community and enable proactive planning to occur at a holistic level.

### **CONSULTATION**

- At the 12 September 2018 Council meeting, Council adopted a proposed engagement plan as the consultation process for the review.
- Two public 'Have Your Say' consultation processes were conducted during this review. The first round ran for a period of approximately 10 weeks between 18 September and 30 November 2018, with the second round at draft stage running for a four-week period commencing 28 March and concluding on 26 April 2019.
- The 'Have Your Say' opportunities were promoted on Council's webpage and through 'Council News' columns; radio advertising, media articles in local newspapers; letters to residents and correspondence with sporting clubs, committees of management, schools, community groups, community banks, internal Council departments and peak sporting and recreation agencies.

- Approximately 270 key stakeholders including clubs, committees of management, individuals and schools were engaged in the process.
- 20 formal submissions were received during round two consultations on the draft recreation masterplan reviews (refer Attachment 1). Meetings were also held with the Warragul Tennis Club, Riding Develops Abilities Warragul, 1<sup>st</sup> Mountain Rivers Scouts and Cubs (Rawson), Rawson Red Cross, Neerim South Committee of Management, Lardner Park and equestrian groups including West Gippsland Adult Riding Club, Drouin Pony Club and Warragul Pony Club.
- During an April Baw Baw Shire Ratepayers meeting, the recreation reserve master plan review was raised. Correspondence was received from the group requesting a six-month extension to the consultation period “given that the Plan is Shire-wide and some proposals would have a considerable impact on some areas.” This matter was considered as part of a general business motion at the Council meeting on 24 April 2019, however the motion to extend the period of consultation was not carried by Council.

## **LEGAL/COUNCIL PLAN/POLICY IMPACT**

### **COUNCIL PLAN**

The recreation master plan reviews assist with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

Strategic Objective 1: *Vibrant Communities*

- 1.1 *Quality community focused services, facilities and infrastructure to support a growing community.*
- 1.2 *Managing Baw Baw’s growth and development.*
- 1.3 *A vibrant, healthy and inclusive community.*

### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

The recreation master plan review has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

### **LEGAL**

- A number of the identified master plan projects seek to address risk and compliance issues such as meeting building and sporting code standards.
- Land acquisition has been recommended for projects at Burke Street in Warragul and in Neerim South, whilst a land sale is recommended for Rawson. These matters will require appropriate property and legal investigations.
- “Planning for and providing services and facilities for the local community” is listed as a function of Council under the *Local Government Act 1989*.

**POLICY IMPACTS**

- On 10 December 2014, Council adopted the Rural Recreation Reserve Master Plans, the Downton Park Master Plan, Drouin Recreation Plan Review, Trafalgar Recreation Precinct Master Plan Review and Warragul Outdoor Recreation Plan Review. The Baw Baw Equestrian Centre Masterplan was adopted by Council on 13 July 2011.
- The adopted Recreation Strategy 2017-2027 contains the following recommendation “E9 - Review all Recreation Reserve Master Plans every four (4) years to update outstanding recommendations and to ensure they are still relevant.”
- The Public Health and Wellbeing Plan 2017-2021 has five key areas. Under area three, ‘Healthy Eating and Active Living’ strategy 3.6 states that Council should seek to “Improve access to active living programs, sport and active recreation, and community infrastructure”.

**CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

**10.2 CONTRACT 21212CT EXTENSION - KERBSIDE WASTE  
COLLECTION SERVICE**

Waste Management Officer

Directorate: Community Assets

Ward: All

Appendix: Nil

**PURPOSE**

To seek Council's endorsement for a two-year extension of Contract 21212CT for the kerbside garbage, recyclables, green organics and street litter collection service.

**RECOMMENDATION**

That Council:

1. Endorse the utilisation of the two-year extension option of Contract 21212CT with Solo Resource Recovery for the kerbside garbage, recyclables, green organics and street litter collection service to 30 September 2021.
2. Delegate authority to the CEO to sign the contract extension documents and execute the award of the contract extension.

**KEY ISSUES**

- Council entered into Contract 21212CT for a kerbside collection service with Solo Resource Recovery (Solo) on 1 October 2012 for a seven-year term with the option of a two-year and one-year extension.
- Solo provides a number of waste related services through Contract 21212CT. These include:
  - The kerbside collection of:
    - residential and commercial garbage,
    - residential and commercial recyclables, and
    - green organics.
  - Street litter collection and disposal as well as street litter bin maintenance and replacements,
  - Illegal dumping collections and disposal,
  - Additional bin services provided for special events,
  - New and replacement bins for the recycling, garbage and green waste services,
  - Transport of materials to landfill and other processors for recycling and green waste,
  - Bin audits, and
  - Recyclables processing.

- In early 2018 the China Sword Policy significantly impacted the recycling industry and as a consequence Council reached agreement with Solo for a price reset for processing of recyclables under the contract. Council obtained an exemption from the State Government at this time to agree on the additional costs to process our recyclables in line with the industry price increase.
- In December 2018 officers requested Solo to provide the cost of recycling if a two-year extension is utilised. The current agreement with Solo for the additional cost to process our recyclables ends on 30 September 2019.
- Solo submitted a proposal to maintain the status quo if a two-year extension is offered, i.e. extending the current rates for the additional recycling costs and all other rates adjusted in line with the original kerbside contract terms and conditions.
- Officers recommend accepting Solo's proposal for a two-year contract extension to 30 September 2021 for the following reasons:
  - The rate is remaining the same for recycling, which is in line with industry pricing. Officers have sought advice from other Victorian Councils, as well as Municipal Association of Victoria and determined that the current agreement with Solo for recycling costs is consistent with current industry rates;
  - There is still a reasonable amount of uncertainty in the recycling industry so entering into a long-term contract at the present time would mean likely additional costs to cover the risk for contractors;
  - Solo's overall performance and track record in the provision of Baw Baw's waste services over the life of the contract;
  - Aligns with the Gippswide Kerbside Collaborative Procurement Project and its timelines;
  - The time and resourcing required to implement a new contract. Typically, large service contracts take over 9 months to instigate when considering documentation preparation, procurement and allowing sufficient time for implementation.
- Council has sought approval from the Minister for Local Government for a procurement exemption under Section 186 of the Local Government Act 1989 to extend the kerbside collection contract to 30 September 2021 because of the increased cost of processing its recyclables. A number of other Councils in Victoria have already applied for and been granted this exemption.
- Whilst the recent materials recovery facility operator, SKM, closures in Melbourne have not directly impacted Baw Baw's recycling service, Solo's fixed price submission for the costs of recycling for two years will assist Council to manage its financial risk.
- Baw Baw's other supporting waste contracts for waste disposal of rubbish and green waste processing are outlined in a separate Council report.

- Under Contract 21212CT Baw Baw Shire must provide the contractor with 3 months' notice of a contract extension. This needs to occur by 30 June 2019.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

Council's expenditure under Contract 21212CT for 2018/19 will be approximately \$4.15 million excluding GST. This is provided for in its annual operating budget and is recovered as part of the municipal waste charge.

The cost of the two year extension option of Contract 21212CT is estimated at \$8.80 million excluding GST. This estimate is dependent on a number of factors including external indexing rates and the number of new services initiated across the municipality during this time.

#### **Environmental Impact**

- Council manages its waste collection services to ensure minimal impact on the environment.
- Introduction of food and garden organics (FOGO) in the future will result in a significant decrease in greenhouse gas emissions and overall waste going to landfill. Council decided on 1 May 2019 to refer the introduction of a FOGO service as an option in its next kerbside waste collection contract.

#### **Community Impact**

Community education about waste will continue to minimise waste generation and reduce bin contamination levels.

### **CONSULTATION**

Nil.

### **LEGAL/COUNCIL PLAN/POLICY IMPACT**

#### **COUNCIL PLAN**

This kerbside garbage, recyclables, green organics and street litter collection service assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

*“Safe and Sustainable Environments” with the strategies to “work to reduce waste and increase diversion from landfill”.*

#### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This kerbside garbage, recyclables, green organics and street litter collection service has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

## **LEGAL**

Council is required to meet the requirements of the *Local Government Act 1989* in administering its waste services.

## **POLICY IMPACTS**

Baw Baw Shire has a Procurement Policy prepared in accordance with the requirements of Section 186A of the *Local Government Act 1989*.

## **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

## **OPTIONS FOR CONSIDERATION**

It is recommended that Council endorse the utilisation of the two-year extension option of Contract 21212CT with Solo Resource Recovery for the kerbside garbage, recyclables, green organics and street litter collection service to 30 September 2021.

Alternatively, Council could decide not to extend this contract. The outcomes of this would be:

- Insufficient time to procure a new contract leading to inability to collect kerbside waste service under a contractual arrangement.
- If a long term contract be procured (approximately 10 year term), a likely price increase based on the instability and uncertainty of market prices in the waste industry at present and likely changes required in the next five to ten years.
- If a shorter term contract be procured (approximately two to three years), the amount of upfront capital investment required from an alternative contractor (i.e. additional trucks and any supporting infrastructure/systems) would increase the costs to Council and the community.
- An impact on the viability of the Gippswide Kerbside Collaborative Procurement Project, given the project assumes that Baw Baw Shire will be open to consider participating in the initiative from 1 October 2021.

### **10.3 CONSIDERATION OF SPONSORSHIP - JUNE 2019**

Social Planner , Coordinator Strategic and  
Community Planning

Directorate: Planning Development,  
Planning Development  
Ward: All  
Appendix: 3 attachments

#### **PURPOSE**

For Council to consider sponsorship applications submitted under the Community Funding Assistance Program.

#### **RECOMMENDATION**

That Council;

1. In accordance with the conditions referred to in Attachment 2, grants the following sponsorships
  - a. \$5,000 to West Gippsland Music & Drama Eisteddfod Inc for the delivery of *West Gippsland Performing Arts Competition 2019*
  - b. \$5,000 to Warragul Business Group for the delivery of *National Science Week - Warragul Event*
  - c. \$5,000 to Baw Baw Our Watch Our Issue (auspiced by Central West Gippsland Primary Care Partnership) to deliver the project *Gippsland 16 days of activism – building a community culture of gender equity and respectful relationships*
  - d. \$4,914 to Gardivalia Festival of Gardens Committee for the delivery of *Gardivalia Festival of Gardens 2019*
  - e. \$750 to Gippsland Football Club Inc to support the participation of up to five members at *Tassie’s Largest Youth Football Tournament*
  - f. \$200 to Kade Cannon to support participation in *School Sport Victoria (SSV) Swimming State Team*
2. Advises all applicants in writing of its decision and the conditions that apply by 28 June 2019.

#### **KEY ISSUES**

- At its Ordinary 11 May 2016 Council Meeting, Council resolved to endorse the Community Funding Assistance Program document and launch the



program. The Community Funding Assistance Program included an event sponsorship category.

- At its Ordinary Meeting 22 May 2019, Council supported amendments to the Community Sponsorship Program to be implemented from July 2019.
- Eleven applications were submitted in the round which opened 18 April 2019. These applications were submitted under the original criteria and were assessed against the original criteria.
- Six applications are eligible for consideration of funding, having provided satisfactory information in their application to present to Council. (Attachment 1). The standard assessment process was applied to each application (Attachment 2).

Applicant	Project	Activity date/s
West Gippsland Music & Drama Eisteddfod Inc	<i>West Gippsland Performing Arts Competition 2019</i>	19/7/2019 to 18/8/2019
Warragul Business Group	<i>National Science Week 2019 - Warragul Event</i>	13/8/2019
Baw Baw Our Watch Our Issue auspiced by Central West Gippsland Primary Care Partnership	<i>Gippsland 16 days of activism – building a community culture of gender equity and respectful relationships.</i>	1-30/11/2019
Gardivalia Festival of Gardens Committee	<i>Gardivalia Festival of Gardens 2019</i>	1/10/2019 to 5/11/2019
Gippsland Football Club Inc	<i>Help our girls “Bend it like Beckham” in Launceston!</i>	20-23/9/2019
Kade Cannon	<i>Participation in School Sport Victoria (SSV) Swimming State Team</i>	27/7/2019 to 2/8/2019

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

- Funding for Sponsorship is included in the \$300,000 Community Development Grant budget allocation for 2018/19.
- To date, Council has allocated \$204,846 through the Community Development Grants program and \$58,450 to Sponsorships.
- There is \$24,204 of available funding in the 2018/19 budget allocation (Attachment 3).
- Altogether, the six applications requested \$22,914. The officer recommendation totals \$20,864. These recommendations will leave \$3,340 remaining in the budget. The details are shown in the next table:

Project	Requested amount \$	Recommended \$
<i>West Gippsland Performing Arts Competition 2019</i>	5,000	5,000
<i>National Science Week 2019 - Warragul Event</i>	5,000	5,000
<i>Gippsland 16 days of activism – building a community culture of gender equity and respectful relationships.</i>	5,000	5,000
<i>Gardivalia Festival of Gardens 2019</i>	4,914	4,914
<i>Help our girls “Bend it like Beckham” in Launceston!</i>	2,500 (\$500 per participant)	Up to 750
<i>Participation in School Sport Victoria (SSV) Swimming State Team</i>	500	200
<b>TOTAL</b>	<b>\$22,914</b>	<b>\$20,864</b>

### **Environmental Impact**

All activities are expected to be delivered with the relevant permits, for example open fires at events, or the installation of public art.

### **Community Impact**

Sponsorship funding stream supports community-led activities that enable residents to strengthen community connections, engage in healthy activities and aspire to healthier living.

### **CONSULTATION**

- A media release to invite sponsorship applications for the last Council decision of the financial year was issued on 18 April 2019.
- Relevant departments within Council have been consulted in the preparation of the Officer recommendation.
- Impacted departments will be advised of Council’s decision.

### **LEGAL/COUNCIL PLAN/POLICY IMPACT**

#### **COUNCIL PLAN**

Community Sponsorships assist with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

#### *Vibrant Communities*

- Build a vibrant community of arts, culture and events
- Support the community to enhance their health and wellbeing

- Enhancing how Council works with the community to improve social inclusion, access and equity.

#### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

Community Sponsorships has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

#### **LEGAL**

All events that Council provides sponsorship to are expected to comply with laws and regulations pertaining to the type of activities being delivered.

#### **POLICY IMPACTS**

Community Sponsorships are administered under the the Community Financial Assistance Policy (2016).

#### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

## **10.4 21936CT DROUIN EARLY LEARNING CENTRE EXTENSION**

*Project and Design Engineer*

*Directorate: Community Assets*

*Ward: West*

*Appendix: Nil*

### **PURPOSE**

To present Council with the tender recommendation for the Drouin Primary School Early Learning Centre Extension.

### **RECOMMENDATION**

That Council;

- Accept the conforming tender submitted by Kubale Constructions Pty Ltd (ABN 19 077 077 037) for Tender No. 21936CT: Extension of Drouin Primary School Early Learning Centre for the total sum of \$546,870.00 (excluding GST) and
- Delegate authority to the CEO to sign the contract documents after they have been prepared and execute the award of the contract.

### **KEY ISSUES**

- This is a Lump Sum tender involving the supply of all necessary labour, plant, equipment, materials and expertise for the Drouin Primary School Early Learning Centre Extension.
- The proposed project will see the addition of a program room and outdoor play space, and an additional consulting room to the existing Drouin Primary School Early Learning Centre. The result will be an additional 44 available kindergarten places, as well as 22 pre-kindergarten places. It will also provide additional consulting space for Maternal and Child Health Service (which is currently at capacity in Drouin), and for other allied health services. This facility will provide three program rooms, as well as three consulting spaces.
- Tenders were advertised on Tenderlink and closed Wednesday 8 May 2019.
- Tender submissions have been assessed in accordance with the evaluation criteria stated in the tender document. Kubale Constructions Pty Ltd is the preferred tenderer for 21936CT: Extension of Drouin Primary School Early Learning Centre.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

Council has successfully secured funding from the Department of Education and Training for the amount of \$350,000 towards the Drouin Primary School Early Learning Centre Extension.

The Project Cost Summary is outlined in table 1;

**Table 1 – Project Cost Summary**

<b>Description – Extension of Drouin Primary School Early Learning Centre</b>	<b>Funds (ex. GST)</b>
Department of Education and Training	\$350,000
2018/19 Council Contribution (100804)	\$411,620
<b>Total Budget</b>	<b>\$761,620</b>
<b>Expenditure to Date</b>	
Architect	\$35,760
Building Permit	\$5,500
<b>Total Expenditure to Date</b>	<b>\$41,260</b>
<b>Preferred Tender &amp; Contingency Allocation</b>	
Preferred Tender by Kubale Constructions Pty Ltd excluding provisional items	\$546,870
Contingency 8% of Total Budget	\$60,930
<b>Total Tender &amp; Contingency</b>	<b>\$607,800</b>
<b>Additional Provisional Items</b>	
<i>10kW Solar PV System Installed</i>	\$13,560
<i>New shade sails</i>	\$24,000
<i>New storage shed</i>	\$7,000
<i>Soft Landscaping</i>	\$20,000
<i>New Play Equipment</i>	\$24,000
<i>Loose Furniture &amp; Equipment</i>	\$20,000
<i>Security System</i>	\$4,000
<b>Total Additional Provisional Items</b>	<b>\$112,560</b>
<b>Total Estimated Expenditure</b>	<b>\$761,620</b>

The provisional items include a 10kW solar power generation system, new storage shed, security system, loose furniture & equipment, soft landscaping, new play equipment and new shade sails. Estimated costings for these items have been provided to Council by the Architect. These provisional items will

complement the building and surrounds while adding to the efficiency of the building. These items will be procured separately by Council following the construction of the works under contract.

**Environmental Impact**

There are no environmental impacts resulting from the implementation of this project.

**Community Impact**

Successful implementation of this project will assist Council to:

- Increase infrastructure capacity to deliver early learning and kindergarten programs.
- Promote integrated service delivery at one location where families can access early childhood education and care, health and development and family services.
- Improve access to local and responsive early childhood services for children from vulnerable and/or disadvantaged families.
- Deliver on the recommendations of the Municipal Early Years Infrastructure Plan adopted by Council.

**LEGAL/COUNCIL PLAN/POLICY IMPACT**

**COUNCIL PLAN**

This project assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

*Strategic Objective: Vibrant Communities*

Quality community focused services, facilities and infrastructure to support a growing community.

**CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This project has been reviewed under the *Charter of Human Rights and Responsibilities and* is considered compatible

**LEGAL**

Council is obligated to comply with Section 186A of the *Local Government Act 1989* by considering and approving tenders where the contract value is in excess of \$250,000 including GST.

**POLICY IMPACTS**

Baw Baw Shire has a Procurement Policy made in accordance with the requirements of Section 186A of the *Local Government Act 1989*. The tender evaluation was carried out in accordance with this policy.

**CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

## **11. THRIVING ECONOMY**

Nil Reports

## 12. SAFE AND SUSTAINABLE ENVIRONMENTS

### **12.1 CONTRACT EXTENSIONS - 21771CT WASTE DISPOSAL AND 21212ACT GREEN ORGANICS PROCESSING**

Waste Management Officer

Directorate: Community Assets

Ward: All

Appendix: Nil

#### **PURPOSE**

To seek Council's endorsement for a two-year extension of Contract 21771CT for the waste disposal of garbage and a two-year extension of Contract 21212aCT for green organics processing.

#### **RECOMMENDATION**

That Council:

1. Endorse the utilisation of the available two-year extension of:
  - a. Contract 21771CT with Suez Recycling and Recovery Pty Ltd for waste disposal of garbage to 30 September 2021; and
  - b. Contract 21212aCT with Pinegro Products Pty Ltd for green organics processing to 30 September 2021.
  
2. Delegate authority to the CEO to sign the contract extension documents and execute the award of the contract extension.

#### **KEY ISSUES**

- Contract 21771CT with Suez Recycling and Recovery Pty Ltd (Suez) is due to expire on 30 September 2021 and has the option for a two-year plus one-year extension.
- Council awarded Contract 21771CT to Suez on 25 October 2017 for disposal of Council's waste to their Hallam Road Landfill at Hampton Park. Prior to this Council's waste was disposed of at Latrobe City Council's Hyland Highway landfill under a MOU agreement.
- Council has been advised Suez's Hallam Road Landfill at Hampton Park has approximately 5 years lifespan to reach its capacity and the EPA is not issuing approvals for new landfills.
- Contract 21212aCT with Pinegro Products Pty Ltd (Pinegro) is due to expire on 30 September 2021 and has the option for a two-year plus one-year extension.
- Contract 21212aCT with Pinegro commenced on 1 October 2012 for a 7-year term ending on 30 September 2019 to align with the kerbside collection contract 21212CT.
- A two-year contract extension is also being sought for contract 21212CT for the kerbside waste collection service outlined in a separate report to Council.



- Extensions of the garbage disposal and green waste processing contracts will better align to the Gippsland Waste and Resource Recovery Group's Gippswide Kerbside Collaborative Procurement Project that is currently exploring the potential of joint waste procurement options for Gippsland Councils.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

- Council's expenditure under Contract 21771CT for waste disposal of garbage in 2018/19 will be approximately \$1.18 million excluding GST. This is provided for in its annual operating budget and is recovered as part of the municipal waste charge.
- The cost of the two year extension option of Contract 21771CT is estimated at \$2.45 million excluding GST.
- Council's expenditure under Contract 21212aCT for green waste processing in 2018/19 will be approximately \$0.33 million excluding GST. This is provided for in its annual operating budget and is recovered as part of the municipal waste charge.
- The cost of the two year extension option of Contract 21212aCT is estimated at \$0.72 million excluding GST.

#### **Environmental Impact**

Council manages its waste collection services to ensure minimal impact on the environment.

Alternatives to landfills are being explored by the State Government, including the recent Waste to Energy Feasibility Study. Alternatives may also be determined through the Gippswide Kerbside Collaborative Procurement Project.

#### **Community Impact**

Nil.

### **CONSULTATION**

Not applicable.

### **LEGAL/COUNCIL PLAN/POLICY IMPACT**

#### **COUNCIL PLAN**

This waste disposal of garbage and green organics processing assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

*"Safe and sustainable environments" with the strategies to "work to reduce waste and increase diversion from landfill".*

## **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This waste disposal of garbage and green organics processing has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

## **LEGAL**

Green organics processing facilities and landfills are required to comply with a number of State and EPA regulations and best practice guidelines, including the *Environment Protection Act 1970* and EPA Best Practice Environmental Management (BPEM) "Siting, Design, Operation and Rehabilitation of Landfills Aug 2015".

## **POLICY IMPACTS**

Baw Baw Shire has a Procurement Policy prepared in accordance with the requirements of Section 186A of the *Local Government Act 1989*.

## **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

## **OPTIONS FOR CONSIDERATION**

It is recommended that Council endorse:

1. A two-year extension of Contract 21771CT with Suez Recycling and Recovery Pty Ltd for waste disposal of garbage to 30 September 2021; and
2. A two-year extension of Contract 21212aCT with Pinegro Products Pty Ltd for green organics processing to 30 September 2021.

Alternatively, Council could decide not to extend these contracts and would need to procure new contracts for one or both of these services. Given that these contracts expire 30 September 2019, the procurement process would need to be fast tracked in order to have new contracts in place by 1 October 2019.

With regards to the disposal of garbage, there are limited options currently available for Baw Baw Shire. There is work currently being undertaken in the sector and across Gippsland to better understand what sustainable solutions are available for waste disposal in the medium to long term. The feasibility study for the Energy from Waste concept (Australian Paper) as well as the Gippswide Kerbside Collaborative Procurement project is evidence of alternatives being explored.

If a new garbage disposal contract was procured, best value would be obtained through offering a longer term contract. Given that the current 21771CT contract supports the larger kerbside collection contract, it is important that the end dates for each contract aligns.

With regards to the green organics processing, the above mentioned considerations apply.

## 13. ORGANISATIONAL EXCELLENCE

### 13.1 CAPITAL EVALUATION POLICY

*Manager Infrastructure Planning, Programs  
and Waste*

*Directorate: Community Assets*

*Ward: All*

*Appendix: 3 attachments*

#### **PURPOSE**

To present the Capital Evaluation Policy for adoption.

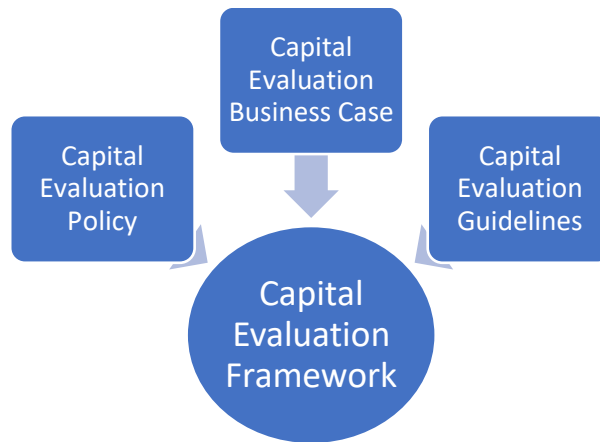
#### **RECOMMENDATION**

That Council adopts the Capital Evaluation Policy.

#### **KEY ISSUES**

- At its 28 November 2018 Council meeting, Council decided to:
  - Note the draft the Capital Evaluation Framework, which comprises of the Capital Evaluation Policy, Capital Evaluation Guidelines and the Capital Evaluation Business Case; and,
  - Seek formal feedback regarding the Capital Evaluation Policy, through the submission process for 2019/20 Annual Budget and the review of the Long Term Infrastructure Plan.
- In a financially constrained and rate-capped environment, it is essential that Council makes sound capital investment decisions with its finite capital resources that maximise public value for current and future generations.
- The Capital Evaluation Framework provides a means of evaluating and appraising proposed infrastructure investments, as well as setting priorities within the context of the Long Term Infrastructure Plan (LTIP) and the annual Capital Works Program (CWP) to address strategic service delivery needs.
- The intent of the framework is to:
  - Establish a robust impartial appraisal methodology and priority-based system for allocating finite Council resources for investment towards infrastructure assets;
  - Ensure that investment in capital is undertaken in a financially sustainable manner and in accordance with best practice asset management principles; and
  - Enhance transparency and public confidence in Council's decision-making process relating to the investment of capital.

- The Capital Evaluation Framework comprises of the Capital Evaluation Policy, the Capital Evaluation Business Case and the draft Capital Evaluation Guidelines.



- The Capital Evaluation Policy outlines the overarching objectives and goals for Baw Baw Shire in capital investment.
- The draft Capital Evaluation Guidelines are a practical guide to support the Policy in an operational and administrative setting. The guidelines will be updated periodically to support the implementation of the Policy.
- The Capital Evaluation Business Case is the project evaluation tool that reflects the overarching objectives and goals of the policy. The business case evaluates a project against the Council Plan objectives and outcomes, the degree of community impact, risk management benefits, its readiness to deliver as well as its upfront and ongoing costs (lifecycle costings).

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

The Capital Evaluation Policy (as part of the Capital Evaluation Framework) intends to assist Council to make financially sustainable capital investment decisions that provide best value to the community.

A number of business cases have been created as part of the review and development of the revised Long Term Infrastructure Plan.

#### **Environmental Impact**

The proposed Capital Evaluation Framework ensures that the protection and management of Baw Baw's environment is considered as part of any capital investment proposal. This reflects part of the Council Plan's "Safe and sustainable environments" objective.

#### **Community Impact**

The Capital Evaluation Policy (as part of the Capital Evaluation Framework) intends to enhance transparency and public confidence in Council's decision-making process relating to the investment of capital. It also ensures that a

robust and impartial appraisal of capital investment proposals is consistently undertaken.

### **CONSULTATION**

The draft Capital Evaluation Policy was placed on public exhibition between 26 April and 24 May 2019. No submissions were received.

### **LEGAL/COUNCIL PLAN/POLICY IMPACT**

#### **COUNCIL PLAN**

The Capital Evaluation Policy (as part of the Capital Evaluation Framework) will assist in the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

*“Organisational Excellence”*

- *‘Positive leadership, advocacy and decision making around shared goals’ and*
- *‘providing community benefit by effectively managing Council’s resources and finances’.*

#### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This initiative has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

#### **LEGAL**

Nil.

#### **POLICY IMPACTS**

The Capital Evaluation Policy will impact:

- Future Council budgets
- The Long Term Infrastructure Plan
- The Long Term Financial Plan

#### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

## **13.2 PROVISION OF BANKING AND BILL PAYMENT SERVICES**

Chief Financial Officer

Directorate: Corporate and Community  
Services

Ward: All

Appendix: Nil

### **PURPOSE**

To award a contract for tender 21940CT Provision of Banking and Bill Payment Services.

### **RECOMMENDATION**

That Council:

1. Accept the tender submitted by the Commonwealth Bank of Australia (CommBank) for Tender No. 21940CT for the provision of Banking and Bill Payment Services based on the schedule of rates for the three year period from 1 July 2019 to 30 June 2022 with an option to extend for a further two by two years; and
2. Delegates authority to the Chief Executive Officer to sign the contract documents and execute the award of the contract.

### **KEY ISSUES**

- Council's existing contractor for Banking and Bill Payment Services is the Commonwealth Bank of Australia. This contract is due to expire on 30 June 2019.
- Three tenders were received from the Commonwealth Bank, National Australia Bank and Westpac Banking Corporation.
- Tenders were evaluated on price, product suite, innovation, relationship management, implementation and local content.
- Commonwealth Bank of Australia (CBA) returned the highest overall score of 8.85 (from a possible 10.00) and are the preferred tenderer.
- The total cost to provide banking and bill payment services, using the new CBA contract, is expected to be in the order of \$129,000 per annum. This represents an approximate annual savings of \$10,000 when compared to the current contract also provided by the CBA. However it should be noted that any such savings will depend on the product suite mix of transaction types and the increase of transaction volumes as Council responds to the growing needs of the municipality.
- The cost estimate of \$129,000 was calculated by applying the CBA's tendered fees and charges across an extensive range of services and customer payment options using the current transaction volumes.
- Council has a separate agreement with Australia Post for customer bill payment services that includes over the counter (OTC), telephone and

internet bill payment services. This agreement is pursuant to an MAV Procurement contract that expires May 2020 and includes 2 x 1 year extensions. As the Australia Post agreement is a pre-existing contract, this agreement was excluded from the tender evaluation.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

The draft 2019/20 Budget includes a total of \$180,000 for banking and bill payments inclusive of the Australia Post services.

#### **Environmental Impact**

There is no environmental impact.

#### **Community Impact**

Provision of bill payment services is designed to provide more innovative and cost effective ways for the community to pay for Council related services.

### **CONSULTATION**

No consultation was required notwithstanding that the draft 2019/20 Budget, inclusive of the budget for banking and bill payment services, is the subject of community consultation and a S223 process.

### **LEGAL/COUNCIL PLAN/POLICY IMPACT**

#### **COUNCIL PLAN**

This tender report assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021: *Organisational Excellence*.

#### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This tender report has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

#### **LEGAL**

Council is required to tender banking and bill payments pursuant to S186 of the *Local Government Act 1989*.

#### **POLICY IMPACTS**

The tender, evaluation and selection process are in accordance with Council adopted Procurement Policy.

#### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

### **13.3 COUNCIL PLAN**

*Manager Corporate Strategy*

*Directorate: Corporate and Community  
Services*

*Ward: All*

*Appendix: 1 attachment*

#### **PURPOSE**

To present the revised Council Plan 2017 - 2021 and the results of the recent public consultation under section 223 of the *Local Government Act 1989*.

#### **RECOMMENDATION**

That Council:

1. Adopts the revised Council Plan 2017 - 2021, and
2. Submits the revised Council Plan to the Minister for Local Government within 30 days.

#### **KEY POINTS/ISSUES**

- The Council Plan represents a four year road map for the Council, and describes the key priorities that Council will focus between 2017 and 2021.
- The Council Plan 2017 – 2021 reflects the Council’s long term planning, Councillor’s aspirations for their term, and community views as set out in Baw Baw 2050 and during community consultation carried out prior to the preparation of the draft Plan.
- An annual review has been carried out and several changes have been made to the Plan as a result. These comprise:
  - Edit and refresh in accordance with Council’s new corporate style guide.
  - An update to the Mayor’s message.
  - Review and update to the section ‘Council’s planning for the future’, based on updated environmental scans on key issues facing the organisation.
  - Amendment to several KPIs.
  - A range of new and continuing initiatives identified to progress the achievement of the Council Plan’s four-year strategies.
- No other changes have been made with regards to the Strategic Objectives or the Council’s ongoing priorities for the four year term.
- The Plan will be resourced by the proposed annual Budget, which has been aligned along each of the four objectives of the Council Plan.

#### **Key Initiatives identified 2019/20**



- **Objective 1: Vibrant Communities**
  - Complete and open the new Warragul Early Years facility at Warragul Primary School.
  - Commence the multi-year design and construction program for extensions to the existing Drouin Early Years facility and the new Early Years facility at Trafalgar.
  - Commence the design of community hub facility in Drouin.
  - Deliver the Baw Baw's youth FReeZa program.
  - Implement the Integrated Municipal Public Health and Wellbeing Plan.
  - Continue the small town and rural communities placemaking program.
- **Objective 2: Thriving Economy**
  - Implement Council's Economic Development Strategy.
  - Implement Council's Destination Action Plans as part of the Shire's Tourism Marketing Campaign.
  - Implement the 'Closer Than You Think' tourism marketing and events attraction and delivery.
  - Continue to implement Council's Recreation Vehicle Strategy.
- **Objective 3: Safe and Sustainable Environments**
  - Develop a new Waste Management Strategy.
  - Implement Council's Environmental Sustainability Strategy action plan.
  - Engage with the community in relation to options for improved management of car parking in the Warragul CBD.
  - Continue the Warragul CBD streetscape improvement works.
- **Objective 4: Organisational Excellence**
  - Advocate on behalf of community needs as set out in Council's new advocacy strategy A Better Future for Baw Baw.
  - Continue Council's service planning and review program to improve the effectiveness and efficiency of Council services.

#### **Key Performance Indicators**

- A review of performance indicators used to monitor the Thriving Economy objective has been carried out, and new indicators included in the Plan, which significantly improves indicators for this theme:
  - Number of visitors to the Shire.
  - Dollar value of visitor spend in Baw Baw Shire.

- Dollar value of financial grants to Council and municipal businesses as a result of Council advocacy.
- Number of businesses in the Shire.
- Gross Regional Product (GRP).
- Two indicators have been removed:
  - Participation in Council committees and committees of management. The purpose of the KPI is to capture community volunteerism and participation. This is more effectively demonstrated by the alternative KPI - Number of volunteers registered on Council programs.
  - Total waste to landfill. Total waste diverted from landfill is a more meaningful measure and reflects the aims of Council's Waste Management Strategy.

### **TRIPLE BOTTOM LINE IMPLICATIONS**

#### **COMMUNITY IMPACT**

The Council Plan and Budget strongly focuses on delivering quality services, facilities and infrastructure to meet community needs.

#### **ENVIRONMENTAL IMPACT**

The draft Council Plan includes an objective with regards to 'safe and sustainable environments', which includes sustainable natural resource management.

#### **FINANCIAL IMPACT**

The Council Plan sets out Council's objectives and directs the capital and operational Budget presented in the proposed Annual Budget 2018/19 and the Strategic Resource Plan.

### **CONSULTATION**

- In accordance with Section 223 of the *Local Government Act 1989*, Council invited submissions on the revised Council Plan 2017 – 2021, Draft Annual Budget 2019/20, Draft Long Term Financial Strategy 2019/20 to 2028/29, Draft Long Term Infrastructure Plan 2019/20 to 2028/29 and Draft Rating Strategy 2019/20 from 26 April 2019 – 24 May 2019.
- Council received 132 Section 223 submissions. The total submissions received, including early input to annual Council Plan, Budget and Infrastructure planning received in November/December 2018 was 248.
- A range of feedback was provided, and the main themes raised in submissions were:
  - Sports and Recreation Reserves
  - Community Infrastructure

- Community Planning
  - Roads and Footpaths
  - Environment
  - Community Services
  - Rates
- Twenty three submitters spoke in support of their respective submissions at the Special Council Meeting on Wednesday 5 June 2019. Having considered all submissions received, Council incorporated a number of projects into the 2019/20 Annual Budget and Long-Term Infrastructure Plan 2019/20 to 2028/29.

### **LEGAL/COUNCIL PLAN/POLICY IMPACT**

#### **COUNCIL PLAN**

The review of the Council Plan fulfils Council's requirement to review the Council Plan 2017 – 2021 at least once per annum.

#### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

The draft Council Plan and Budget has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

#### **LEGAL**

The Council Plan is a requirement of the *Local Government Act 1989*, which requires a new Plan be prepared following Council elections, and then revised annually.

#### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

### **13.4 LONG TERM FINANCIAL STRATEGY**

Finance Manager & Chief Financial Officer

Directorate: Corporate and Community  
Services

Ward: All

Appendix: 1 attachment

#### **PURPOSE**

To present to Council the Long Term Financial Strategy that aligns to the proposed 2019/20 Budget.

#### **RECOMMENDATION**

That Council adopts the Long Term Financial Strategy 2019/20 to 2028/29.

#### **KEY POINTS/ISSUES**

- The Long Term Financial Strategy:
  - Provides a ten-year financial framework against which Council's strategies, policies and financial performance may be measured;
  - Establishes a prudent and sound financial framework, combining and integrating financial strategies as expressed in the Council Plan;
  - Provides an assessment of the resources required to accomplish the objectives and strategies included in the Council Plan;
  - Ensures that Council complies with sound financial management principles, as required by the Local Government Act (1989) and plan for the long term financial sustainability of Council.
- The Long Term Financial Strategy (LTFS) achieves the following strategic outcomes:
  - Significantly higher investment in the 2019/20 and 2020/21 financial years of the capital works program. The four-year future capital program includes a total of \$32.7 million for new strategic projects mainly to develop sporting facilities and community hubs in response to the increased community demand. The \$32.7 million is to be primarily funded from external grants, new loan borrowings and Council cash reserves.
  - Infrastructure renewal is expenditure on an existing asset or replacing an existing asset, which returns the service capability of the asset to that which it had been originally. In this LTFS Council has committed to the funding of maintaining and improving existing assets over the next few years as a priority. This commences with \$14.2 million in 2019/20 of the total capital expenditure spend of \$33.9 million.

- Endorses the rating parameters based on the State Government imposed rate cap increase of 2.5% per annum with an additional allocation of 0.8% for growth (supplementary rates mainly from new properties);
- Continues to allocate additional funds to the renewal of existing assets while investing in strategic infrastructure projects to service the growth within the municipality;
- Optimise revenue from user charges, fees and fines by applying an annual cost escalation factor as the index to all discretionary fees and charges;
- Continue to focus of securing grant revenue particularly for capital works projects;
- Applies loan borrowing to fund new and/or significantly upgraded major assets that provide a broad multigenerational community benefit over the period of the strategy.

### **TRIPLE BOTTOM LINE IMPLICATIONS**

#### **COMMUNITY IMPACT**

The Long Term Financial Strategy promotes the social, economic and environmental viability of the shire district and its role in maintaining the viability of Council to ensure that resources are managed in a responsible manner.

#### **ENVIRONMENTAL IMPACT**

The Long Term Financial Strategy promotes the social, economic and environmental viability of municipal district and its role in maintaining the viability of Council to ensure that resources are managed in a responsible manner.

#### **FINANCIAL IMPACT**

The Long Term Financial Strategy sets out Council's ten-year financial framework that aligns to the Capital and Operational Budget presented in the 2019/20 proposed Budget and the Strategic Resource Plan.

### **CONSULTATION**

The consultation process was in accordance with Section 223 of the Act. Consultation on both the Council Plan, Budget and Rating Strategy occurred from Friday 26 April 2019 through to Friday 24 May 2019.

## **LEGAL/COUNCIL PLAN/POLICY IMPACT**

### **COUNCIL PLAN**

The Long Term Financial Strategy assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

*Organisational Excellence*

“Providing community benefit by effectively managing council’s resources and finances” and “Sustainably manage Council’s financial position”.

### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This Long Term Financial Strategy has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

### **LEGAL**

Council complies with sound financial management principles, as required by the *Local Government Act 1989* and plan for the long term financial sustainability of Council.

### **POLICY IMPACTS**

The Long Term Financial Strategy is consistent with Council’s Rating Strategy, Borrowing Policy and Investment Policy.

### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

### **13.5 LONG TERM INFRASTRUCTURE PLAN 2019/20 - 2028/29**

*Manager Assets and Recreation & Manager Infrastructure Planning, Programs and Waste*     *Directorate: Community Assets*

*Ward: All  
Appendix: 1 attachment*

#### **PURPOSE**

To present the Long Term Infrastructure Plan 2019/20 – 2028/29 for adoption.

#### **RECOMMENDATION**

That Council adopts the Long Term Infrastructure Plan 2019/20 - 2028/29 as per Attachment 1 of this report.

#### **KEY POINTS/ISSUES**

- Baw Baw Shire has made a significant revision to its Long Term Infrastructure Plan (LTIP). The review of the LTIP has been based on several key principles established by Council in the planned investment of capital over the next ten years. This includes the following:
  - Increasing expenditure on renewing and rehabilitating existing infrastructure,
  - Investing in major strategic capital projects for the benefit of current and future generations, and
  - Funding key infrastructure upgrades and new projects to support Council service delivery and meet community expectations.
- Over the next ten years, Council through its revised Long Term Infrastructure Plan, intends to invest a total of \$254.4M including:
  - \$142.7M in renewal of assets,
  - \$45.4M in major strategic capital projects, and
  - \$66.3M in general capital projects.
- The total \$254.4M of planned expenditure is proposed to be funded through the following sources:
  - \$51.4M from State and Federal Government grants,
  - \$7.6M from external contributions including developer contributions,
  - \$16.2M from borrowings towards major strategic capital projects,
  - \$3.8M from reserves, and
  - \$175.3M from general rate revenue.

- The 2019/20 capital works budget lays the groundwork for the delivery of up to \$32.7 million in key strategic, intergenerational projects for the community over the next three years. In 2019/20 \$7.3 million is allocated for the delivery of individual strategic capital projects and major design works to position Council to apply for external funding for the major projects. These projects include a Drouin Community Hub, the Warragul Indoor Stadium and the Warragul Civic Place Precinct, Trafalgar Recreation Reserve Multi Use Facility, Baxter Park, Synthetic Pitch and Facilities, amongst others.
- In summary the 2019/20 financial year capital program includes the following:
  - \$12.2M for infrastructure renewal,
  - \$7.3M for progressing key strategic projects, and
  - \$10.1M for general infrastructure works.
- A summary of the investment in infrastructure renewal, key major strategic projects and general capital projects within each asset category for the 2019/20 financial year capital program is outlined below.
  - Roads
    - Over 100,000 sq m of gravel road resheets (\$1.1M)
    - Over 235,000 sq m of roads resealed (\$1.3M)
    - Five roads in poor condition fully reconstructed (\$2.0M)
    - Over 20,000 sq m of road repairs (\$1.2M)
    - Over 1400 metres of kerb and channel replaced
    - Extensive re-linemarking, guardrail and signage replacement
    - Stage 2 of sealing the unsealed section of Shillinglaw Road in Drouin (\$0.7M)
    - Funding commitment towards the Fixing Country Roads Program, which would see over \$2.2M of road upgrade works occur in Shady Creek and Neerim North
    - Continuation of Warragul CBD streetscape works, with the upgrade of Victoria Street between Queen Street and Napier Street (\$0.8M)
    - Road safety improvements (\$0.4M)
    - New or improved township entry, parking and traffic signs (\$0.1M)
  - Carparks
    - Accessible parking space improvements, the implementation of key parking study actions for Drouin and Warragul, as well as four carpark reconstructions (\$0.3M)



- Paths
  - Gravel and sealed path replacements, trip hazard rectifications, DDA upgrades and pram ramp replacements (\$0.5M)
  - New footpaths across the municipality (\$0.8M)
- Bridges and Major Culverts
  - Standfields Road bridge replacement in Poowong East as well as two major culvert rehabilitations (\$0.8M)
- Drainage
  - Retarding basins in Trafalgar and Warragul (\$1.3M)
  - Piped drainage renewal (\$0.3M)
  - Open drain cleaning and roadside works (\$0.4M)
  - Dam safety and wetland establishment works (\$0.1M)
- Buildings
  - Replacement or renewal works at public toilets and other community facilities (\$1.9M)
  - Two new public toilets in Drouin and Warragul (\$0.4M)
  - Expand the capacity of Normanby Street Family and Children's Service Centre (\$0.1M)
  - Fountain Room community meeting and event space in Warragul (\$0.35M)
  - Construction of female friendly changerooms at Darnum Recreation Reserve (\$0.9M)
  - Female friendly pavilion upgrades at Hallora Recreation Reserve and Buln Buln Recreation Reserve (\$0.9M)
  - Extension of the Drouin Early Learning Centre (\$0.35M)
  - A new Early Learning Centre for Trafalgar (\$1.8M)
- Recreation and Open Space
  - Sports field and hard surface replacement/renewal (\$0.5M)
  - Dosing system replacement at Rawson Swimming Pool (\$0.1M)
  - Sports and playground equipment including skate and BMX, as well as open space furniture replacement (\$0.2M)
  - Placemaking program across a number of smaller townships (\$0.2M)
  - Progress key actions from the draft Community Hubs Strategy (0.2M)

- Fenced dog parks for Drouin, Warragul and Trafalgar (\$0.1M)
  - Upgrade of Neerim South Oval (\$0.7M)
  - Upgrade for four netball courts at Drouin Recreation Reserve (\$0.6M)
  - Upgrade of Civic Park Drouin as per masterplan (\$1.2M)
- Future designs and investigations
  - Design and planning for indoor stadiums in Drouin and Warragul (\$0.3M)
  - Future road reconstructions, intersection upgrades, external funding application support and general infrastructure improvements (\$0.2M)
  - Recreation and open space design and scoping works (\$0.1M)
  - Further design for a multi-use facility at Trafalgar Recreation Reserve (\$0.1M)
  - Further investigation and design relating to a community hub for Drouin (\$0.2M)
  - Design for Civic Place Precinct in Warragul (\$0.25M)
- Council received 248 submissions as part of the public exhibition process relating to the draft:
  - Long Term Infrastructure Plan,
  - Council Plan revision,
  - Long Term Financial Strategy,
  - Rating Strategy, and
  - Annual Budget 2019/20.
- A total of 23 submitters spoke in support of their respective submissions at the Special Council Meeting on Wednesday 5 June 2019. Having considered all submissions received, the draft Long Term Infrastructure Plan (that was placed on public exhibition) has been updated. Updates to the 2019/20 financial year include:
  - Neerim South Oval Embankment Upgrade \$485,000 brought forward from 2022/23 to coincide with the oval upgrade,
  - An additional \$30,000 for the new fenced dog parks project,
  - An allocation of \$60,000 to Western Park, Warragul for the concept design of an improved netball facility,
  - An allocation of \$60,000 for the design of a multi-use facility at Bellbird Park (Eastern Section), Drouin,

- An additional \$50,000 to the Community Facilities Renewal Program to demolish the dilapidated house at 61 Princes Way, Longwarry North (Municipal Animal Pound),
  - An additional \$20,000 for the Street Tree Planting Program,
  - An additional \$10,000 for the Forward Design program for the preliminary design for a new public toilet in Noojee (location to be confirmed),
  - An allocation of \$676,000 for the Pharaohs Road Retardation Basin and Wetlands, which is fully funded from the Development Contributions Plan (Warragul). The inclusion of this project will help to mitigate any potential stormwater risk in the north western area of the Warragul Precinct Structure Plan, and
  - An allocation of \$100,000 to minor bridge renewal (funded by an increase to Roads to Recovery funding),
  - An allocation of \$100,000 for road safety improvements to fund a curve improvement program (funded by an increase to Roads to Recovery funding), and
  - Council committing to pursue external funding for the replacement of the oval lighting at Longwarry Recreation Reserve. If successful, these works will be undertaken in 2020/21.
- A number of projects planned for in the 2019/20 financial year are subject to successful funding through application to government grant programs, contributions from external parties, which is detailed within the Long Term Infrastructure Plan in Attachment 1. Should Council not be successful in obtaining this external grant funding then Council would be required to reconsider the funding model or delivery of these projects.

### **TRIPLE BOTTOM LINE IMPLICATIONS**

#### **COMMUNITY IMPACT**

The Long Term Infrastructure Plan promotes the social and economic viability of the municipal district and its role in maintaining the viability of Council to ensure that resources are managed in a responsible manner.

#### **ENVIRONMENTAL IMPACT**

The Long Term Infrastructure Plan promotes the environmental sustainability of the municipal district.

#### **FINANCIAL IMPACT**

The Long Term Infrastructure Plan sets out Council's ten year framework that aligns to the Capital and Operational Budget presented in the 2019/20 Budget and the Strategic Resource Plan.

## **CONSULTATION**

Council received 132 submissions during the Section 223 consultation process in April/May 2019. 248 submissions were received in total, including early input to the annual Council Plan, Infrastructure Plan and Budget received in November/December 2018.

## **LEGAL/COUNCIL PLAN/POLICY IMPACT**

### **COUNCIL PLAN**

This Long Term Infrastructure Plan assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

Organisational Excellence

*“Providing community benefit by effectively managing council’s resources and finances” and “Sustainably manage Council’s financial position”.*

### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This Long Term Infrastructure Plan has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

### **LEGAL**

Council complies with sound financial management principles, as required by the *Local Government Act 1989* and plan for the long term financial sustainability of Council.

### **POLICY IMPACTS**

The Long Term Infrastructure Plan is consistent with Council’s Rating Strategy, Borrowing Policy and Investment Policy.

### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

### **13.6 2019/20 RATING STRATEGY**

*Finance Manager*

*Directorate: Corporate and Community  
Services*

*Ward: All*

*Appendix: 1 attachment*

#### **PURPOSE**

To present the Rating Strategy 2019/20 for approval following the public notice inviting submissions to the proposed Budget 2019/20.

#### **RECOMMENDATION**

That Council resolves to adopt the Rating Strategy for 2019/20.

#### **KEY POINTS/ISSUES**

- As part of the development of the Council Plan 2017-2021 and 2019/20 Budget, a review of the Council's Rating Strategy has been completed.
- The focus of the strategy is to assess whether the rates revenue raised by the Council is fairly and equitably distributed amongst Council's ratepayers. Each year the Minister for Local Government will set the rate cap that will specify the maximum increase in Council's rates and charges for the forthcoming financial year. The rate cap set by the Minister for 2019/20 is 2.5 per cent. The residential garbage charge per rateable property budgeted for 2019/20 remains unchanged from 2018/19 residential garbage charge per rateable property. The average residential garbage charge is \$384 per rateable property.
- The key recommendations of the strategy recommend that Council:
  - Continues to apply differential rating as its rating system, and
  - Continues to apply the following differential rates, as a discount or a surcharge to the General (residential) rate:
    - Farms at a discount of 10%
    - Commercial and Industrial properties at a surcharge of 20%
    - Vacant Land differential at a surcharge of 80%
    - Urban Living Land at a discount of 10%
    - Residential Development Land at a surcharge of 30%
  - Continues to provide an additional eligible pensioner rebate of \$50.00, in addition to the State Government rebate.
  - Does not implement a Municipal Charge.
  - Continues to apply a Waste Service charge as part of its rating strategy, based on full cost recovery of the waste function.

- Continues to apply the legislated four instalment payment option and does not reintroduce the February lump sum payment option that was abandoned during 2014/15.
- From the 1 July 2018 land valuations were centralised under the Valuer-General Victoria (VGV) with a new annual cycle of valuations for rating and taxing purposes. All rateable properties within Baw Baw Shire Council have been revalued at 1 January 2019 and are effective from 1 July 2019. The change in rates will be different for each property due to the CIV of each property. The general valuation impacts the distribution of rating liability across the municipality. It does not provide Council with any additional revenue within the Shire.
- The value placed on each property by the VGV contract valuer is current and closely reflects market values. All valuations are reviewed taking into account the latest market evidence (sales and rents) for each type of property and each district in a municipality. Adjustments are then made to property valuations where appropriate.
- VGV's contract valuers, Gippsland Property Valuations, throughout the 2019 general valuation inspected 10,648 properties out of 26,414 rateable properties. The 2019 general valuation inspections focused on properties within the Warragul, Yarragon, Longwarry, Neerim South, Noojee, Nilma, Darnum, Erica, Rawson, Willow Grove and Thorpdale townships. This inspection involved an external inspection of each property to collect or confirm data requiring quantitative assessment (factual data such as land or building area) or qualitative assessment (e.g. grading of building condition or quality of style).
- Overall Council's Capital Improved Values have increased by 15.0% over the one year period 2018 to 2019. Throughout the first half of 2018 residential, rural residential and smaller rural properties generally increased significantly in value in the western area of the municipality. Larger farms and those located in eastern areas have generally shown little change since the 2018 revaluation.

## **TRIPLE BOTTOM LINE IMPLICATIONS**

### **COMMUNITY IMPACT**

The Rating Strategy focuses on the equitable distribution of rates amongst all Council's ratepayers.

### **ENVIRONMENTAL IMPACT**

The strategy has no impact on the environment.

### **FINANCIAL IMPACT**

The Rating Strategy sets out recommendation on the fair and equitable distribution of rates and charges and has no financial impact on the quantum of rates required.

## **CONSULTATION**

The consultation process was in accordance with Section 223 of the Act. Consultation on both the Council Plan, Budget and Rating Strategy occurred from Friday 26 April 2019 through to Friday 24 May 2019.

## **LEGAL/COUNCIL PLAN/POLICY IMPACT**

### **COUNCIL PLAN**

This Rating Strategy assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

Organisational Excellence

“Providing community benefit by effectively managing councils resources and finances” and “Sustainably manage Council’s financial position”.

### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

The Rating Strategy has been reviewed under the Charter of Human Rights and Responsibilities and is considered compatible.

### **LEGAL**

Sections 154 to 166 of the *Local Government Act 1989* set out the requirements for declaration of rates and charges including the application of differential rating (section 161).

### **POLICY IMPACTS**

The Rating Strategy is reviewed on an annual basis as part of the budget process.

### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

### **13.7 ANNUAL BUDGET 2019/20**

Finance Manager

Directorate: Corporate and Community  
Services

Ward: All

Appendix: 1 attachment

#### **PURPOSE**

To present the Annual Budget 2019/20 and Schedule of Fees and Charges for Council adoption.

#### **RECOMMENDATION**

That Council:

1. Having prepared and published its Budget for 2019/20 and having considered any submissions received, hereby resolves to adopt the 2019/20 Budget noting that after hearing submissions, an additional \$895,000 is to be funded in this budget;
2. Gives public notice of its decision to adopt the Budget in accordance with Section 130(2) of the *Local Government Act 1989 (Act)*;
3. Notifies those who have lodged a written submission of Council's decision and the reasons for the decision in accordance with Section 223(1) of the Act; and
4. Submits a copy of the Budget to the Minister in accordance with Section 130(4) of the Act.

#### **KEY POINTS/ISSUES**

- In accordance with Section 223 of the Local Government Act 1989, Council invited submissions on the revised Council Plan 2017 – 2021, Draft Annual Budget 2019/20, Draft Long Term Financial Strategy 2019/20 to 2028/29, Draft Long Term Infrastructure Plan 2019/20 to 2028/29 and Draft Rating Strategy 2019/20 from 26 April 2019 – 24 May 2019.
- Council received 132 submissions during the Section 223 consultation process in April/May 2019. The total submissions received, including early input to annual Council Plan, Budget and Infrastructure planning received in November/December 2018 was 248.
- A range of feedback was provided, and the major themes for funding raised in submissions were:
  1. Sports and Recreation Reserves
  2. Community Infrastructure
  3. Community Planning
  4. Roads and Footpaths
  5. Environment
  6. Community Services
  7. Rates



- A total of twenty three (23) submitters spoke in support of their respective submissions at the Special Council Meeting on Wednesday 5 June 2019. Having considered all submissions received, Council has incorporated the following projects in the 2019/20 Annual Budget and Long Term Infrastructure Plan 2019/20 to 2028/29:
  - Neerim South Oval Embankment Upgrade \$485,000 is to be brought forward to 2019/20 from 2022/23 to coincide with the oval upgrade;
  - Increase the budget allocation for new fenced dog parks by \$30,000 from \$90,000 to \$120,000;
  - Allocate a recurrent \$120,000 to fund a new Planning and Development position;
  - Allocate \$60,000 to Western Park, Warragul for the concept design of an improved netball facility;
  - Allocate a provisional recurring amount of \$60,000 for portable female friendly facilities at Trafalgar Recreation Reserve;
  - Allocate \$60,000 to fund Bellbird Park (Eastern Section), Drouin – multi use facility design;
  - Increase the budget allocation for the Community Facilities Renewal Program by \$50,000 from \$720,000 to \$770,000 to demolish the dilapidated house at 61 Princes Way, Longwarry North (Municipal Animal Pound);
  - Increase the budget allocation for Street Tree Planting Program by \$20,000 from \$40,000 to \$60,000;
  - Increase the budget allocation for the Forward Design program by \$10,000 from \$222,000 to \$232,000 for preliminary design for a new public toilet in Noojee (location to be confirmed); and
  - Council will pursue external funding during 2019/20 for the replacement of the oval lighting at Longwarry Recreation Reserve and if successful, this allocation will see these works undertaken in 2020/21.
- In addition, the 2019/20 Capital Works Budget has increased by \$896,000 from the initial draft budget. This is due to additional funds becoming available for:
  - Allocation of \$676,000 for Pharaohs Road Retardation Basin and Wetlands fully funded from the Development Contributions Plan (Warragul). This is recommended to support the ongoing development of Waterford Rise as well as to mitigate any potential stormwater risk surrounding this precinct; and
  - Allocation of \$200,000 to the minor bridge renewal and the curve improvement programs identified for priority works within the capital renewal schedule. The Minor bridges renewal program allows Council to respond to elements/components of bridges that require

renewal based on condition inspections. The Curve improvement program is a program to improve road bends and safety. Both programs have been able to be included in the capital program due to the additional roads to recovery funds allocated by Federal Government.

- The Annual Budget correlates to the aspirations and commitments of the Council Plan 2017-2021. The Budget is an integral part of Council's overall strategic planning framework and endeavours to resource the directions that have been established in the Council Plan 2017-2021.
- The Annual Budget is integrated with the Long Term Financial Strategy and the Rating Strategy.

### **2019/20 Annual Budget**

- The 2019/20 Annual Budget focuses on delivering quality services to the community through a combination of existing programs, new initiatives and capital works. The Budget is framed to deliver on the Council Plan 2017-2021 and is aligned with each of the themes and objectives of the Plan.
- The 2019/20 Annual Budget focuses on improving Council's financial status whilst at the same time delivering the objectives of the Council Plan.
- The increase in rate revenue is fixed to a maximum of 2.5% in line with the State Government rate cap. The budget is formulated to provide sufficient funding to maintain the current range of community programs and services as well as a capital works program of \$33.9 million.
- The major challenges have been to meet the needs of the growing population of the Shire, continuing to review its critical infrastructure renewal requirements, improve Council's overall financial position, within the constraints of the rate cap.
- Highlights of the proposed Budget are:
  - The proposed budget represents income of \$97.2 million and expenditure of \$79.9 million resulting in a surplus of \$17.2 million.
  - Council's annual expenses are expected to increase by 4.00% mainly due to an increase in approved employee positions in the areas of maternal child and health, planning and development, compliance, property management and customer service in response to growth and community demand. Several of these positions are either externally funded or self funding via associated revenue generation. By contrast revenue is expected to increase by 10.17%, predominately due to an increase in operating grants as a result of the early payment in the prior year of the 2018/19 Financial Assistance Grant.
  - Rates and charges income have increased 3.9% mainly due to the impact of the 2.5% rate cap and supplementary rates and waste service charges for new properties and or/existing dwellings representing growth within the municipality.

- New operating initiatives include providing for new waste initiatives, including a new waste management plan, increased maternal child health services for those with special needs, additional funding for tourism events in the shire, additional costs associated with panel hearings, extra planning and compliance resourcing and increased resourcing for open space as demand increases.
- The 2019/20 capital works budget lays the groundwork for the delivery of up to \$32.7 million in key strategic, intergenerational projects for the community over the next three years. In 2019/20 \$7.3 million is proposed for the delivery of individual projects and major design works to position Council to apply for external funding for the major projects. These projects include the Drouin Community Hub, the Warragul Indoor Stadium and the Warragul Civic Place Precinct.
- In 2019/20 the following strategic projects will be delivered: female friendly pavilions at Darnum, Buln Buln and Hallora and early learning centres at Drouin, Trafalgar and Warragul.
- Infrastructure renewal is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset to that which it had been originally. In the Long Term Financial Strategy Council has committed to the funding of maintaining and improving existing assets over the next few years as a priority. This commences with \$14.2 million in 2019/20 of the total capital expenditure spend of \$33.9 million.
- The total capital expenditure program is \$33.9 million comprising \$29.6 million new works plus \$4.3 million carry over projects from the prior 2018/19 year. The \$29.6 million new works include:
  - Roads investment of \$11.0 million including \$2.3 million fixing country roads, \$2.0 million shire wide road reconstruction works, \$1.1 million for shire wide gravel road resheet works, \$1.3 million for shire wide road resealing works, \$1.2 million for shire wide major pavement repairs and \$0.7 million for shire wide road upgrade/sealing works.
  - Drainage investment of \$2.7 million that mainly includes \$1.0 million for Copelands Road Wetland and Retarding Basin, \$0.7 million for Pharaohs Road Retardation Basin and Wetlands, \$0.5 million for rural road roadside drainage works and \$0.3 million for retarding basin construction at Trafalgar.
  - Bridges and major culverts investment of \$0.9 million primarily for vehicle and minor bridge renewal program.
  - Recreation, Leisure and Community investment of \$6.7 million mainly comprising of \$1.2 million Drouin Civic Park redevelopment, \$0.9 million for female friendly pavilion at Darnum, \$0.7 million Neerim South Oval upgrade and \$0.5 million Neerim South Oval Embankment Upgrade, \$0.6 million Drouin Recreation Reserve netball courts, \$0.4 million

pavilion upgrade at Buln Buln and \$0.4 million pavilion upgrade at Hallora Recreation Reserve.

- Footpaths investment of \$1.3 million comprising \$0.7 million for shire wide new footpath works and \$0.5 million for footpath gravel and sealed path replacements, trip hazard rectifications, DDA upgrades and pram ramp replacements.
- Buildings investment of \$5.5 million that mainly includes \$1.8 million for a new Early Learning Centre for Trafalgar, \$0.7 million for renewal of community facilities across the shire and \$0.4 million extension of the Drouin Early Learning Centre.
- Community hub strategy implementation & forward program design investment of \$0.4 million.

### **2019/20 Rates and Charges**

- The 2019/20 Budget includes an increase in rates of 2.5% based on the State Government imposed rate cap. Total revenue from rates and charges for 2019/20 is \$59.9 million. This amount comprises of \$50.9 million rates, \$8.3 million waste charges, \$0.5 million from supplementary valuations (new property additions) and \$0.2 million interest on rates and charges.
- The Rating Strategy recommends that Council continues to apply the following differential rates for:
  - Residential Land, including flats and units; and
  - Farm Land, at a discount of 10% to the general rate; and
  - Commercial and Industrial properties at a surcharge of 20%; and
  - Vacant Land differential to a surcharge of 80%; and
  - Urban Living Land at a discount of 10% to the general rate in order to ease the rate burden on properties within the Urban Growth Zone with a Precinct Structure Plan in place under the Baw Baw Planning Scheme; and
  - Residential Development Land with a surcharge 30% in respect of properties within the Urban Growth Zone with a Precinct Structure Plan and a planning permit authorising subdivision has been issued.
- The 2.5 per cent increase applies to the total rates revenue received by Council, not to individual ratepayers. The residential garbage charge per rateable property budgeted for 2019/20 remains unchanged from 2018/19 residential garbage charge per rateable property. The average residential garbage charge is \$384 per rateable property.
- From the 1 July 2018 land valuations were centralised under the Valuer-General Victoria with a new annual cycle of valuations for rating and taxing purposes. All rateable properties within Baw Baw Shire Council have been revalued at 1 January 2019 and are effective from 1 July 2019. The change in rates will be different for each property due to the CIV of each

property. Overall Council's Capital Improved Values have increased by 15.0% over the one year period 2018 to 2019.

### **TRIPLE BOTTOM LINE IMPLICATIONS**

#### **COMMUNITY IMPACT**

The 2019/20 Annual Budget focuses on delivering quality services, facilities and infrastructure to meet community needs.

#### **ENVIRONMENTAL IMPACT**

The 2019/20 Annual Budget promotes the social, economic and environmental viability of municipal district and its role in maintaining the viability of Council to ensure that resources are managed in a responsible manner.

#### **FINANCIAL IMPACT**

The Council Plan 2017-2021 sets out Council's objectives and directs the Capital and Operational Budget presented in the 2019/20 Annual Budget and the Strategic Resource Plan.

### **CONSULTATION**

The consultation process was in accordance with Section 223 of the Act. Consultation on both the Council Plan, Budget and Rating Strategy occurred from Friday 26 April 2019 through to Friday 24 May 2019.

### **LEGAL/COUNCIL PLAN/POLICY IMPACT**

#### **COUNCIL PLAN**

This 2019/20 Annual Budget assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

*Organisational Excellence*

"Providing community benefit by effectively managing council's resources and finances" and "Sustainably manage Council's financial position".

#### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This 2019/20 Annual Budget has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

#### **LEGAL**

Council is required to prepare a budget pursuant to section 127 of the *Local Government Act 1989*.

#### **POLICY IMPACTS**

The Budget is consistent with Council's Rating Strategy, Borrowing Policy and Investment Policy.

#### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

### **13.8 DECLARATION OF RATES & CHARGES 2019/20**

*Finance Manager*

*Directorate: Corporate and Community  
Services*

*Ward: All*

*Appendix: 1 attachment*

#### **PURPOSE**

To formally declare the applicable rates and charges for the 2019/20 financial year.

#### **RECOMMENDATION**

That Council:

1. Adopts the Declaration of Rates and Charges 2019/20 as per the attachment; and
2. Runs a competition to provide for a \$1,000 incentive for the early payment of all rates and charges in full by 30 September 2019.

#### **KEY POINTS/ISSUES**

- The Declaration of Rates and Charges finalises the budget process. The Declaration establishes the rate in the dollar of Capital Improved Value to enable the levying of rates and the value of charges applicable for the 2019/20 financial year. Refer attachment 1.
- A total of \$59.7 million is to be raised from rates and charges comprising \$50.9 million rates, \$8.3 million charges plus \$0.5 million from supplementary rates and charges.
- Ratepayers who pay all rates and charges outstanding on or before 30 September 2019 (eligible ratepayers) will be entered into a draw to win \$1,000. Only one winner will be selected to win the \$1,000 from the list of eligible ratepayers.

#### **TRIPLE BOTTOM LINE IMPLICATIONS**

##### **COMMUNITY IMPACT**

The declaration of rates and charges is the major funding source of the Budget that focuses on delivering quality services, facilities and infrastructure to meet community needs.

##### **ENVIRONMENTAL IMPACT**

The declaration of rates and charges has no impact on the environment.

##### **FINANCIAL IMPACT**

The Council Plan sets out Council's objectives and directs the Capital and Operational Budget presented in the 2019/20 Budget, which is funded by rates and charges.

## **CONSULTATION**

The consultation process was in accordance with Section 223 of the Act. Consultation on both the Council Plan, Budget and Rating Strategy occurred from Friday 26 April 2019 through to Friday 24 May 2019.

## **LEGAL/COUNCIL PLAN/POLICY IMPACT**

### **COUNCIL PLAN**

This Rating Strategy assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

Organisational Excellence

“Providing community benefit by effectively managing councils resources and finances” and “Sustainably manage Council’s financial position”.

### **CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

The Declaration of Rates and Charges has been reviewed under the Charter of Human Rights and Responsibilities and is considered compatible.

### **LEGAL**

Council is required to declare rates and charges pursuant to section 158 of the *Local Government Act 1989*.

### **POLICY IMPACTS**

The Budget as well as rates and charges are consistent with Council’s Rating Strategy, Borrowing Policy and Investment Policy.

### **CONFLICT OF INTEREST DECLARATION**

No officer involved in the preparation of this report has a disclosable interest.

**14. NOTICES OF MOTION**

Nil Reports

**15. COMMITTEE AND DELEGATES REPORTS**



## 16. ASSEMBLY OF COUNCILLORS

### 16.1 ASSEMBLY OF COUNCILLORS REPORT

*Governance Coordinator*

*Directorate: Corporate and Community  
Services*

*Ward: All*

*Appendix: 5 attachments*

#### **PURPOSE**

To present the written records of Assemblies of Councillors that have occurred.

#### **RECOMMENDATION**

That Council receives and notes the Assembly of Councillors records tabled for the period from Friday 31 May to Friday 14 June 2019.

#### **KEY POINTS/ISSUES**

The *Local Government Act 1989* requires that the written record of an Assembly of Councillors be, as soon as practicable, reported at an ordinary meeting of the Council and incorporated into the minutes of that meeting.

## 17. MAYORAL MINUTE

## 18. GENERAL BUSINESS

## 19. IN CAMERA SESSION