



Minutes

Council Meeting

26 February 2020

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**Baw Baw Shire Council  
Council Meeting  
26 February 2020  
Minutes**

Minutes of the Ordinary Meeting of the Baw Baw Shire Council held in the Lyrebird Room, West Gippsland Arts Centre, Warragul commencing at 5:30pm on 26 February 2020.

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**Present**

Cr P Kostos, Cr J Gauci, Cr M Leaney, Cr M Power, Cr K Cook, Cr D Wallace, Cr T Jones and Cr J O'Donnell.

**In Attendance**

Ms A Leighton	Chief Executive Officer
Mr M Dupe	Director Corporate and Community Services
Mr C Van der Velde	Director Community Infrastructure
Ms Y Woods	Director Planning and Development
Mr M Kestigian	Executive Manager Communications and Economic Development
Mr P Harris	Manager Governance
Ms K Baum	Governance Coordinator
Ms D Foenander	Executive Assistant to the Chief Executive Officer and Mayor

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

Cr Kostos opened the meeting with recognition of the traditional custodians being, I acknowledge the traditional custodians of the land on which we meet the Gunaikurnai people. We pay our respects to Elders, past, present and emerging, and Elders of other communities who may be here today.

**2. READING OF AFFIRMATION AND PRAYER**

Cr Kostos 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**

Cr D Goss

Mr M Hopley                      Chief Information Officer

### **4. CIVIC CEREMONIES**

Nil

### **5. CONFIRMATION OF PREVIOUS MEETING MINUTES**

<b>RECOMMENDATION</b>
That the minutes of the Ordinary Council Meeting held on 12 February 2020 be confirmed.
<b>COUNCIL MOTION</b>
<b>Moved:</b> Cr J O'Donnell
<b>Seconded:</b> Cr K Cook
<b>CARRIED</b>

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

Cr Leaney declared a Conflict of Interest on item 8.2 and left the chamber at 6:07pm, returning at 6:13pm.

Cr Gauci declared a Conflict of Interest on item 12.3 and left the chamber at 6:48pm, returning at 6:53pm.

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

### **7.1 RELEASING OF COUNCIL MOTIONS IN CLOSED TO THE PUBLIC SESSION**

Council did not hold a confidential meeting and therefore there was no information to be released to the public

## **8. COMMUNITY PARTICIPATION TIME**

### **8.1 QUESTIONS ON NOTICE**

**Response to Questions on Notice submitted by Mr Don McLean**

#### **1. What is the breakdown by location of the 330 survey responses to the Road Maintenance Survey conducted in August 2019?**

As stated in my answer to your Question on Notice at the Council Meeting of 11<sup>th</sup> December 2019, the results of the community survey will be released following completion of the tender evaluation process for the new Road Maintenance Contract. This evening Council will consider this tender and following this consideration the survey responses will be released.

#### **2. Did Council, when considering the contract specification for the Routine Road Maintenance Contract, look to a positive weighting for tenders that included use of electric powered plant and machinery?**

Rather than being narrow in its consideration, the evaluation criteria for the contract provided the opportunity to express a broad range of possible innovations that would lead to improved efficiency and productivity outcomes (including where applicable the use of renewable technologies).

#### **3. Did Council, when considering the contract specification for the Road Maintenance Contract, look to a positive weighting for tenders that included local employment?**

In short yes, all Baw Baw Shire tenders give greater weighting to local procurement content.

#### **4. In Councils' forward plan what provision is made for the introduction of electric vehicles?**

Council currently operates six hybrid vehicles within its fleet and plans to renew hybrid vehicles like for like when due for replacement within its renewal program. Introduction of electric vehicles will be investigated with

consideration to availability of charging infrastructure, the estimated range of battery life in conjunction with after sales support, car model type and resale value.

**5. Will Council nominate the Mayor and Executive staff as leaders in electric vehicle use and an implementation program adopted for their ratepayer funded vehicles?**

This has already been the case with Council previously purchasing a hybrid vehicle for the Mayor's use.

Signed

Alison Leighton  
**Chief Executive Officer**

**8.2 SUBMISSIONS**

The following persons spoke on an item on the agenda.  
The following persons spoke on an item on the agenda.

Item	Name
13.2	Andrea Klindworth
13.2	Pat Turner
13.2	Chris Healy
13.2	Henry Corcoran
13.2	Judy Farmer

Cr Michael Leaney left the meeting, the time being 6:07pm  
Cr Michael Leaney returned to the meeting, the time being 6:13pm

**9. PETITIONS**

Nil Reports

## 10. VIBRANT COMMUNITIES

### 10.1 WARRAGUL PARKING STUDY - COMMUNITY ENGAGEMENT STRATEGY

*Project & Design Engineer*

*Directorate: Community Infrastructure*

*Ward: Central*

*Appendix: 5 attachments*

#### **PURPOSE**

To present Council with the proposed Community Engagement Plan in relation to parking issues in the Warragul CBD.

#### **RECOMMENDATION**

That Council:

- Note the 2018 Warragul Parking Study,
- Note the multideck feasibility report by DARMS,
- Endorse the attached community engagement plan relating to parking issues in the Warragul CBD
- Note that the feedback forms attached are an indication of what will be provided to the community, and
- Authorise officers to implement the community engagement plan.

#### **COUNCIL MOTION**

**Moved:** Cr J Gauci

**Seconded:** Cr M Power

**CARRIED**

### KEY ISSUES

#### **Background**

- Historically, car parking availability in Warragul's CBD has been considered an issue by traders, people working in the CBD and the broader community. A car parking study was undertaken in 2015 which identified a number of recommendations to assist in the short, medium and long term. This included investigating the feasibility of a multideck carpark.
- DARMS Property (a property consultant firm) were then commissioned to provide a detailed assessment on the feasibility of a multideck carpark. The recommended 409 space multideck option was estimated to cost in the order of \$25 million and included retail and commercial space to assist in offsetting the cost.
- Since the 2015 study and multideck feasibility report, a number of carparking changes have occurred in the Warragul CBD including the construction of a new carpark at the railway station providing 196 new carpark spaces which predominantly are all day/long term car parking spaces.

- As a result of these changes, a review of the 2015 parking study was undertaken in 2018 by One Mile Grid (Traffic Consultants) and a number of recommendations were provided. These recommendations are of a similar nature to those included in the original 2015 parking study.
- The 2018 study found that there are currently 2669 car park spaces in the Warragul CBD area with an average occupancy rate of 70% during the week and higher rates of 90% during peak times.
- Both studies identified the need to provide additional parking capacity for the long term.
- An engagement strategy has been drafted (attached) and identifies how Council will engage with the community about the provision of parking in Warragul.
- The focus and purpose of the engagement is as follows;
  - Make clear that the requirement for additional parking is not being questioned but rather how it might be funded and what funding model would be preferred by the community;
  - Involve the community in determining a solution that is practical and financially viable; and
  - Work with the community to understand what is considered an acceptable standard for parking availability for Warragul.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

The estimated costs to undertake the community engagement and establish the representative panel is outlined in Table 1 below.

**Table 1 – Estimated cost for Community Engagement Strategy Implementation**

<b>Action</b>	<b>Cost</b>	<b>Time Period</b>
Allowance for implementation of the engagement strategy. This includes the cost of engagement support, advertising, any venue and hospitality costs, seeking assistance to recruit the community representative group.	\$50,000.00	February to September 2020

The cost of implementation has been included in current operating budgets and is separate from the cost associated with the implementation of the recommendations of the parking study.

The estimated cost of implementation of the recommendations of the 2018 Warragul Parking Study are shown in Table 2.



**Table 2 – Estimated Costs for the Implementation of the Recommended options from the 2018 Parking Study**

<b>Recommendation</b>	<b>Approximate Cost</b>	<b>Description</b>
Revision of existing car parking restrictions including removal of permit parking.	\$10,000	Capital Initiative
Improvement of walking and cycling networks; Gladstone Street and Mason Street (Cost could vary depending on the extent of the works)	\$50,000	Capital Initiative
Improvement of wayfinding signage	\$15,000	Capital Initiative
Expand the current parking overlay	\$50,000	Operating Initiative
Implementation of a “cash in lieu” scheme for developments in the CBD	\$30,000	Operating Initiative
Implementation of a community bus service	Up to \$120,000 p.a.	Operating Initiative
Implementation of paid parking <i>(Cost could vary depending on type of parking meter and extent of installation)</i>	\$100,000 (initial set up costs) and \$20,000 for ongoing system maintenance	Capital & Operating Initiative
Construction of recommended multideck to provide 409 additional carpark spaces.	\$25 million as per investigation undertaken by DARMS	Capital Initiative
Implementation of parking enforcement	\$100,000	Operating Initiative
<b>Estimated Total</b>	<b>\$25,515,000.00</b>	

The implementation of these recommendations is subject to Council adopting these as capital projects or operating initiatives in future Council budgets.

### **Environmental Impact**

Improvement of walking and cycling networks and implementation of a community bus service may reduce car movement and vehicle emissions.

### **Community Impact**

Successful implementation of this engagement will assist Council to:

- Develop a deliverable plan for parking in Warragul with community buy-in and input and;
- Improve its reputation and build trust within the community.

## **CONSULTATION**

The proposed detailed community engagement plan is attached to this report as Attachment 1 – Community Engagement Plan. A summary of the process is as follows.

<b>Action</b>	<b>Time Period</b>
<b>1. Council Approval</b> Seek approval for the engagement plan	February 2020
<b>2. Initiate Community Engagement</b> Initiate the engagement process by releasing the engagement plan along with the Parking Study Reports and DARMs Feasibility Report and encourage the community to review the documents and put forward any questions and recommendations	February 2020
<b>3. Workshops</b> Conduct workshops to answer questions and collate all feedback	March to April 2020
<b>4. Review Feedback</b> Review of all received information	May 2020
<b>5. Community Update and Panel Appointment</b> Update the community about the received feedback whilst advertising for and recruiting a representative group to review the collated information	June 2020
<b>6. Panel Deliberation</b> Coordinate the review process with the representative group, with the aim of gaining agreement on recommendations for parking in Warragul (including a potential funding model)	July 2020
<b>7. Present Recommendation</b> Review the recommendations from the group and submit to Council for review and feedback at a Council briefing	August – September 2020
<b>8. Council Decision</b> Seek a final Council decision and release outcome to the community	September 2020

## **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 1:** *Vibrant Communities*

Warragul and Drouin CBD improvement works

**Strategic Objective 3:** *Safe and Sustainable Environments*

Effectively plan and manage car parking demands across the Shire

**Strategic Objective 4: *Organizational Excellence***

Achieve clear, open and effective two-way communication and engagement between Council and the community.

Work and engage with the community to develop a shared vision and goals for the future of the Shire.

**CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

This exercise 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 contract value is in excess of \$250,000 including GST.

**POLICY IMPACTS**

Nil

**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 TENDER AWARD CON2019060 - ROUTINE ROAD MAINTENANCE CONTRACT

Coordinator Road Maintenance

Directorate: Community Infrastructure

Ward: All

Appendix: 2 attachments

#### **PURPOSE**

This report outlines:

- the results from the Have Your Say campaign undertaken in August 2019;
- the Tenders received for the proposed Routine Road Maintenance Contract, and
- the proposed Road Maintenance Contract to commence 1 July 2020.

The purpose of this report is for Council to consider the results of the tender evaluation process which assessed the capability, capacity, local content, risks/benefits and consider awarding a contract for Routine Road Maintenance Services to the nominated preferred tenderer.

#### **RECOMMENDATION**

That Council:

- Accept the tender submitted by Downer EDI Works Pty Ltd for Tender No. 2019060 Routine Road Maintenance Contract for the per annum sum of \$ 8,063,139.29 (excluding GST) for the contract period of five (5) years,
- Allocate \$8,063,139.29 (excluding GST) per annum plus the relevant annual increases due to the change in consumer price index and the reflection in changes to various asset quantities, in accordance with the contract, within Council's Long Term Financial Strategy for the contract period, and
- Delegate authority to the CEO, which includes the Interim CEO, to sign the finalised contract documents after they have been prepared and execute the award of the contract.

#### **COUNCIL MOTION**

**Moved:** Cr D Wallace

**Seconded:** Cr K Cook

**CARRIED**

#### **KEY ISSUES**

##### Background

- Councils current Road Maintenance (RM) contract commenced 1 July 2015. It was for an initial five year term with an option of 2 x 3 year extensions.

- The current contract includes all activities relating to Council's Rural road network in addition to those activities relating to the road pavement in the Urban network. Urban Signs, Urban Line marking, Urban Drainage and Urban Vegetation including trees and mowing are carried out by Council's Infrastructure Maintenance Team. Other services included in the current contract include the provision of Customer Service, Afterhours and Emergency response.
- The current contract is for the most part linked to Council's Road Management Plan (RMP). The RMP provides details on the frequency that Council will undertake cyclic inspections on its network together with defining the various defects it will respond to. For each defect type, it also nominates the response time in order to rectify the defect.
- The RMP is a legislative document which outlines how Council will manage its road network in order to fulfil its obligations under the Road Management Act (RMA).
- The service levels specified in the RMP were previously determined through community consultation. It has become increasingly apparent that the default service levels that are provided through linking the RM Contract to the RMP are not currently meeting the expectations of the community.
- The first term (five year term) of the current contract is due expire on 30 June 2020. In considering the options under the current contract to exercise an extension for a further three-year term, a review of the current levels of service was undertaken. This included consultation with the community through a 'Have Your Say' campaign in August 2019, to confirm the anecdotal evidence that the current levels of service were not meeting the community's expectation.
- Legal advice was sought in relation to Council's ability to make significant changes to the service under contract as part of a contract extension. Undertaking material changes to the current contract was not possible due to procurement and legal risks.
- Therefore, if Council was going to significantly revise the levels of service under contract, it would require a new tender be advertised to the market. Based on current community sentiment extending the current contract without changing the contract service levels would likely not be considered acceptable.
- Prior to commencing the preparation of a new contract, Council Officers undertook a detailed analysis of the current contract which included those aspects of the contract that were working well and those that could be improved. For those aspects that could be improved, it was necessary to identify why they were not working well and what measures could be put in place to ensure they could be addressed in any new contract.
- This assessment considered whether aspects of the contract should be removed, what impacts would that removal have on the contract objectives and what additional resources (both personnel, equipment

and systems) would be required in order to manage or undertake the activities.

- The nature of routine road maintenance has expanded and involves far more than undertaking the activities on site. Other aspects such as the ease of reporting, transparency of data, the immediacy of customer service, governance and performance management are of equal importance in implementing a successful road maintenance service,
- When considering all these other aspects, it became apparent that it remained more effective for all aspects of the routine road maintenance service to be kept under a single contract, to ensure a consistent efficient approach to customer service, governance and performance management.

### Stakeholder Engagement

- Due to the level of importance the community placed on road maintenance and the value any future contract would have on Council's financial capacity and budget over the life of the new contract, an extensive stakeholder engagement plan was developed. This was a multi layered approach including internal stakeholders, road users and industry.
- Interested potential tenderers were invited to register their interest and be part of an Early Market Involvement Process (EMI) with Council through Tenderlink to ensure maximum reach into the market. The purpose of this process was to provide input on the current contract and the form a future contract would take. In addition, the EMI also investigated the relevant key information that should be provided at the time of tender to reduce the risk to Council, as well as tenderers and therefore result in more competitive, cost effective tender prices.
- The questions put to the potential tenders fell under the following themes:
  - Market Volatility
  - Specification Uncertainty
  - Specification Complexity
  - Contract Ambiguity
  - Contract Incentives/rewards
  - Contract Disincentives
  - Contract Verification/validation/reporting
- These EMI sessions were undertaken on 4 and 6 September 2019. Council Officers met with 8 potential tenderers as part of this process. The EMI was non-compulsory, meaning that potential tenderers would not be excluded from the formal tender process if they did not participate in the EMI.
- Road Users throughout the community were invited to take part in a quantitative survey as part of a Have Your Say Campaign (HYS) in

August 2019. The purpose of this survey was to gauge the level of importance of various elements of routine road maintenance, gain a representative sample of community expectations and thus determine the extent of the gap between community expectation and the current RMP service levels. The final aspect of this survey was to confirm Council Officers assessment of community sentiment and priorities, the subsequent revisions to the new contract service specifications and the level of affordability for Council. Any new contract to be tendered would need to be financially sustainable over the longer term, particularly given Council's financial constraints due to a 'rate capped' environment.

- The survey period was open between 6 – 30 August 2019. Council received:
  - 45,000 social impressions (posted views in various social media pages)
  - 1400 click throughs (seen and then clicked for more information)
  - 330 survey responses
- Key results from the survey can be summarised as follows-
  - 82% of respondents said reported issues should be inspected within 5 days.
  - 61% of respondents said potholes should be repaired in less than a week, 23% said one week was satisfactory.
  - 42% of respondents nominated 'fixing isolated defects such as potholes/corrugations' as top priority.
  - 88% of respondents said we should expand use of alternative methods to expedite repairs.
  - 63% of respondents said unsealed road grading frequency should be greater than twice a year, 30% believe it should be twice a year.
  - 37% of respondents said cyclic inspections on urban road should be carried out four times a year, 29% said more than four times a year.
  - 38% of respondents said cyclic inspections on rural roads should be carried out more than four times a year.
- In addition to the survey, four key groups of community stakeholders were invited to attend information sessions. Invitations to 85 community members from four rural areas including Longwarry North, North Yannathan, Moondarra and Allambee were sent. These sessions were held on 9 September 2019 in Trafalgar Business Centre and the 11 September 2019 at Drouin Civic Centre and provided an opportunity to sense test the results from the HYS survey and to determine any key themes outside of these results. The key themes from these sessions were:
  - More regular maintenance



- Greater oversight of contractor/s
- Greater investment required in road maintenance

Key differences in new RM Contract

- Based on the above HYS data, Council Officers were able to finalise the contract specification to incorporate the community feedback. The inclusion of this data was overlayed with what level of maintenance Council would be able to afford.
- The proposed Routine Road Maintenance Contract specification has been prepared in a different format to the current Contract. The proposed Contract Specification comprises four key areas. These were:

Network Management Services

This included all activities concerned with the management of the network and services including:

- customer service and liaison
- cyclic and reactive inspections
- identification and recording of defects for repair
- works scheduling and planning
- contract management including reporting and record keeping
- support of the contract governance team

Operations Management Services

All activities concerned with the implementation of the integrated management plan and the management of quality, environmental and safety compliance in the performance of the Contract.

Reactive maintenance Services

All activities that are required to be undertaken within specified timeframes such as road repairs to both sealed and unsealed roads, drainage, fallen trees, signs, afterhours and emergency response etc (RMP driven).

Historic data from CRM's, after hour callouts, asset data etc was provided to the tenderers to gauge the quantum of the activity to be undertaken.

Maximum response times for various defects such a potholes etc has been reduced significantly as a result of the feedback from the HYS results. A comparison of the RMP and current contract response times against those proposed in the new contract can be found in Attachment 1 – Comparison Table

Programmed maintenance activities

The development and delivery of the performance programs for all activities is to be undertaken on a programmed basis such as road

grading, shoulder grading, open drain cleaning, sealed road surface repairs, tree trimming, and roadside grass mowing (Program driven).

Quantities were provided to tenderers to ensure Council expectations would be met in the preparation of the various programs to undertake these specific activities. Council Officers in considering the affordability of this contract and the size of the road network specified the following quantities of works.

- Unsealed road grading – Total length of unsealed roads both urban and rural is 700km. The quantity of unsealed road grading has significantly increased to a specified 754km annually. All unsealed roads will be included on the program which is to be developed based on road hierarchy, road condition and maintenance requirements.
- Unsealed Shoulder Clearing – Nominated length of unsealed road shoulders both urban and rural is 1,600km. The quantity of unsealed shoulder works specified is 320km annually, all road shoulders on sealed roads cleared at least once within five years. All sealed urban and rural roads with road shoulders will be included on the program which is to be developed based on road hierarchy, road condition and maintenance requirements.
- Open Drain Cleaning – Nominated length of sealed road surface drains both urban and rural is 1,700km. The quantity of drain works specified is 340km annually, all roadside drains cleared at least once within five years. All sealed and urban roads with open drains will be included on the program which is to be developed based on road hierarchy, road condition and maintenance requirements.
- Sealed Surface Repairs – Nominated quantities of works includes asphalt surface repairs 200cu.m and spray sealed surface repairs 30,000sqm
- Tree Trimming – Nominated length of rural roadsides to be included on tree trimming program is 2,000km. All rural roadsides completed within five years.
- Roadside Mowing – Nominated length of rural roadsides to be included on roadside mowing is 2,935km. Specified as two cuts per year (one before and one after the new year break) for road safety i.e. mowing extent is only 1.5 metres behind guideposts.

These programmed activities are considered the equivalent of an accelerated works program. Carrying out road maintenance activities on a programmed basis allows a more proactive approach and is more efficient and cost effective.

#### Tender Process

A probity advisor was engaged to ensure all elements of the process both before and after the calling of tenders was carried above reproach.

Tenders opened for the proposed Routine Road Maintenance Contract on 22 October 2019. Tenders were open for 6 weeks and closed on the

3 December 2019. The tender documents were downloaded a total of 35 times. During the tender period, 51 questions were asked and 8 addenda issued. Council received eight conforming submissions and three non-conforming submissions.

Tenders were assessed in accordance with the evaluation criteria specified within the request for tender document and outlined in the Evaluation Plan. The Evaluation Plan outlined the process to be followed in undertaking the assessment. More detail is provided in Attachment 2 Evaluation Plan.

A three-stage process was adopted for the assessment of tender submissions. These stages were:

**Stage 1 – Conformance & Mandatory**

All tender submissions passed Stage 1

**Stage 2 – Capacity (25%), Capability (65%) and Local Content (10%)**

Capacity criteria included organisation structure including roles and responsibilities, plant and equipment.

Capability criteria included understanding of service, experience of key personnel, previous performance, relationship management, use of innovation.

Local Content criteria included local employment and training, subcontractors and suppliers and other opportunities for local employees etc.

Evaluation Panel members carried out their assessment and allocated a score out of 10 for each element, a total score (out of 100) for each tenderer was then calculated. A consensus score from all panel members was then determined with the tenderers ranked based on their consensus score. The top four ranked tenderers were then invited to attend an interview to provide further clarification and information on their tender submission in order to finalise their Stage 2 score.

**Stage 3 – Risk/Benefits and Value for Money**

The top four ranked tenders were then assessed based on the risk/benefits that would apply should they be awarded the contract. Risks included safety, environmental risks as well as threats to Council's reputation, customer service, network ownership etc. The assessment was carried out as per that in stage 2, with individual evaluation team members scoring and then a consensus score being determined. This assessment identified that the assessed benefits of three tenderers would outweigh the risks, if Council was to award them a Contract. Only two tenders provided benefits that would far outweigh the risks should they be awarded the Contract and therefore provided the best value for money.

These two tenderers were then invited for second round interviews to provide further clarification on the risks and benefits that would apply should they be awarded the Contract.

A Best and Final Offer was sought from these two tenderers which thus resulted in a preferred Tenderer being recommended. Accordingly, the Tender Evaluation Panel recommends accepting the tender of Downer EDI Works Pty Ltd, which scored the highest overall score for Capacity, Capability and Local Content and the highest Benefit Score, and therefore representing the best value for money.

More detail on this assessment is provided in Attachment 3 – Tender Evaluation Report and Attachment 4 – Probity Report.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

- The increase investment in the Roads Maintenance contract can be funded from a combination of cash reserves, reallocation of capital renewal spending, reallocation of schedule of works budget allocations plus expected future savings resulting from service reviews of current operations.

#### **Environmental Impact**

The provision of Routine Road Maintenance services includes the implementation of various environmental protection measures that are outlined in the recommended tenderers Integrated Management Plan.

The delivery of the routine road maintenance contract includes the provision to reduce the reliance on non-renewable resources wherever possible. The use of recycled road making materials will be considered and implemented where appropriate.

#### **Community Impact**

- The proposed Contract reflects the high priority that the community places on road maintenance.
- The proposed Contract includes a higher level of service which will provide a greater presence of maintenance works across the wider road network thus improving road user experience.

### **CONSULTATION**

- A communications strategy will be developed to educate and inform the community of the key differences and improvements the new road maintenance contract will deliver.
- Road maintenance categories such as potholes, trees, road inspections and grading will be some of the themes covered in an educational PR Campaign. Elements of the PR campaign will include; a Campaign identity for roads maintenance, key messages regarding Council's significant financial investment, the findings of the community engagement program conducted in August 2019, frequently asked questions and key messages for Councillors. Channels of communication will include; media releases, website, social media, print media, radio and Council pop-ups, etc.

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

### **COUNCIL PLAN**

This Routine Road Maintenance Contract assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021:

*Objective 3 - Safe and Sustainable Environments*

*Efficient Roads, transport and parking – manage and maintain the Shire’s local road network to improve its overall quality and safety.*

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

The tender documents have been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

### **LEGAL**

- The proposed Routine Road Maintenance Contract includes the various obligations relating to OH&S that the Contractor is to fulfil as part of its responsibilities under this Contract. The preferred tenderer has systems and processes in place that enable the various risks to be managed appropriately.

#### **Road Management Act 2004**

- Council is the designated “Coordinating Road Authority” for municipal roads within the Shire and is charged with the responsibility to provide the public and other road users with a safe and efficient road network in accordance with their Road Management Plan (RMP).
- The RMP sets inspection intervals and response times as well as stating the management systems which Council will implement to ensure its responsibilities within the Road Management Act 2004 are met.
- The proposed Routine Road Maintenance Contract has adopted equivalent or better inspection intervals and response times than those included in the above mentioned RMP.

### **POLICY IMPACTS**

NIL

### **CONFLICT OF INTEREST DECLARATION**

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

### **OPTIONS FOR CONSIDERATION**

Given the process of evaluation to determine a preferred tender, it is recommended that Council:

- Accept the tender submitted by Downer EDI Works Pty Ltd for Tender No. 2019060 Routine Road Maintenance Contract for the per annum sum of \$ 8,063,139.29 (excluding GST) for the contract period of five (5) years,
- Allocate \$8,063,139.29 (excluding GST) per annum plus the relevant annual increases due to the change in consumer price index and the

reflection in changes to various asset quantities, in accordance with the contract, within Council's Long Term Financial Strategy for the contract period, and

- Delegate authority to the CEO to sign the finalised contract documents after they have been prepared and execute the award of the contract.

**12.2 DOMESTIC WASTEWATER MANAGEMENT PLAN - THREE YEAR REVIEW**

Corporate Planner

Directorate: Corporate and Community Services

Ward: All

Appendix: 1 attachment

**PURPOSE**

Council's Domestic Wastewater Management Plan was endorsed in August 2016. An action of the plan was to review implementation progress after three years. This report outlines the findings of the audit.

**RECOMMENDATION**

That Council note this report and the three-year progress audit of implementation of the Domestic Wastewater Management Plan.

**COUNCIL MOTION**

**Moved:** Cr D Wallace

**Seconded:** Cr T Jones

**CARRIED**

**KEY POINTS/ISSUES**

- Whitehead & Associates Environmental Consultants (W&A) were engaged to complete a three-year review of implementation of the Baw Baw Shire Council Domestic Wastewater Management Plan 2016-2021 (DWMP).
- The consultant was engaged to:
  - Independently review activities completed to date to quantitatively document progress for stakeholder advice;
  - Seek feedback from the Water Corporation stakeholders regarding DWMP implementation and any items requiring further attention or clarity;
  - Assess the relevance of outstanding action items, with specific reference to the current regulatory setting;
  - Prioritise relevant actions for the remaining two-year term of the DWMP; and
  - Prepare a summary of 'opportunities' for advancing the Action Plan beyond the 2021.
- All priority stakeholders: Gippsland Water, South Gippsland Water, Southern Rural Water, and Melbourne Water, were invited to provide formal feedback on the implementation and ongoing progress of the DWMP.
- Reflecting Council's focus on customer service, since DWMP implementation, the Public Health Team has created a number of new

resources and undertaken various activities to improve the knowledge of domestic wastewater in the Shire. Activities and materials include additional resources on the wastewater page of Council's website, information sheets, newspaper articles, advertisements targeting desludging, magazine article, presentations and attendance at local events.

- Currently approximately 3,700 electronic permits on Council's database - Health Manager. From rates analysis, 12,000 lots within the shire are expected to contain a septic tank system. From Geographic Information System analysis, it is expected that there are approximately 1,500 septic tank systems within Declared Water Supply Catchments.
- The priority work by the Council since DWMP implementation includes funding a dedicated Domestic Wastewater Management Officer, permitting and inspections of new and upgraded systems, community education, and water sampling and maintenance monitoring projects in high-risk areas.
- The consultant highlights the following areas to be addressed in subsequent years for successful implementation of the DWMP and BBSC Public Health is well resourced to progress each of these requirements.
  - Formalisation of improved operational practice into documented policy and procedures.
  - Create a stronger link between the three electronic databases housing septic tank information: Health Manager, Risk Assessment Framework and Geographic Information System.
  - Increase the number of general inspections within priority areas.
  - Identify and audit commercial sized septic tank systems across the Shire.
  - Investigate off-site greywater discharge to stormwater infrastructure and the environment.
  - Include permitting and inspection data into the annual stakeholder newsletter and meet with Water Corporations more frequently.

## **TRIPLE BOTTOM LINE IMPLICATIONS**

### **COMMUNITY IMPACT**

Poorly managed wastewater can cause negative health impacts both at the local scale (for example, a few people that come into contact with wastewater) to large numbers of people from untreated wastewater polluting drinking water supply.

### **ENVIRONMENTAL IMPACT**

Wastewater can increase the nitrogen and phosphorus present in local waterways. Increased nitrogen and phosphorus increase the growth of algae and weeds, negatively impacting the health of our aquatic ecosystems.



## **FINANCIAL IMPACT**

The majority of outstanding actions were included in the Action Plan of the DWMP (2016) and can be completed with existing Public Health resourcing.

## **CONSULTATION**

Water Corporations: Melbourne Water, Gippsland Water and South Gippsland Water provided feedback into the audit.

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

### **COUNCIL PLAN**

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

**Strategic Objective:** *Safe and Sustainable Environments*

- Protect and sustainably managing Baw Baw's environment.
- Community safety and protection.

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

This Domestic Wastewater Management Plan will be considered under the *Charter of Human Rights and Responsibilities*. Amendments will be recommended to ensure compatibility if required.

### **LEGAL**

N/A

### **POLICY IMPACTS**

N/A

### **CONFLICT OF INTEREST DECLARATION**

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

### **12.3 CITIES POWER PARTNERSHIP MEMBERSHIP**

Environment Sustainability Officer

Directorate: Planning and Development

Ward: All

Appendix: 2 attachments

#### **PURPOSE**

To inform Council of the merits of joining the *Cities Power Partnership* (CPP) program following community requests for participation and recommendation from Council's Environmental Voice Advisory Committee.

#### **RECOMMENDATION**

That Council:

1. Join the *Cities Power Partnership* program by becoming a 'Power Partner', and
2. As part of becoming a member of the *Cities Power Partnership*, commit to the following pledges, and continue with their implementation to the extent practical within the annual budget process.
  - a. Install renewable energy (e.g. solar PV and battery storage) on council buildings;
  - b. Support community facilities to access renewable energy through incentives, support or grants;
  - c. Provide incentives and/or remove barriers to encourage local businesses to take up solar power and battery storage;
  - d. Adopt best practice energy efficiency measures across all council buildings, and support community facilities to adopt these measures; and
  - e. Develop education and behaviour-change programs to support residents and businesses to tackle climate change through clean energy, energy efficiency and sustainable transport.

#### **COUNCIL MOTION**

**Moved:** Cr M Power

**Seconded:** Cr J O'Donnell

**CARRIED**

Cr Gauci declared a Conflict of Interest and left the meeting at 6:48pm, returning at 6:53pm.

#### **KEY ISSUES**

- Council received six submissions from Baw Baw residents in 2019 asking Council to consider participation in the *Cities Power Partnership* (CPP), a free national program that promotes transition to clean (renewable) energy.
- CPP is Australia's largest local government climate network comprising over 115 Council members across Australia and is run by the Climate Council (see CPP attachment).

- CPP assists Councils and communities in achieving their sustainability goals through knowledge sharing, community engagement and connectivity, and support in securing funding and grants.
- Council is required to identify a minimum of five action pledges ranging from renewable energy, efficiency, transport and advocacy within six months of joining the program. These pledges can consist of new initiatives or existing Council activities and will be profiled online (see attachment for recommended pledges).
- All recommended CPP pledges are actions or ongoing commitments contained in Council's adopted Environmental Sustainability Strategy (ESS). Please see pledge recommendation attachment about how each of these pledges align specifically with current ESS activities.
- Becoming a 'Power Partner' would align with and complement Council's current pledge and commitment to the Victorian State Government's TAKE2 program through Sustainability Victoria.
- Participation in the CPP means Council becomes a 'Power Partner'. A letter from Council's Mayor is required to confirm participation.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

- Participatory commitments and actions for CPP have been selected from existing actions/commitments within Council's *Environmental Sustainability Strategy 2018-2022* four-year Action Plan. (See CPP Recommendation attachment)
- A key program incentive for CPP is assistance with applications for future project funding and grants.
- Participation is free.
- Officer time required for reporting on pledge commitments is minimal, being limited to an annual questionnaire.

#### **Environmental Impact**

- Participation in the CPP program will assist Council in achieving sustainability objectives identified within our *Baw Baw 2050* community vision and Council Plan (2017-2021), through implementation of our *Environmental Sustainability Strategy 2018-2022*. These objectives include the following.
  - Baw Baw is ready to meet the threats and opportunities posed by climate change,
  - The use of renewable energy is encouraged and supported, and

- Continue to build partnerships and provide support to local environmental community groups and individuals.

### **Community Impact**

By joining the CPP program, Council will provide leadership to the Baw Baw community through increased awareness about the value of renewable energy and its future environmental and economic benefits.

### **CONSULTATION**

- After receiving submissions from Baw Baw residents asking Council to participate in CPP, officers presented details of the program to Council's Environmental Voice Advisory Committee (EV) for discussion and direction.
- The EV Committee passed a motion of support to participate in the CPP program and subsequently recommended Council consider membership. The following is the recommendation from the EV committee.
  - *"The Environmental Voice Committee supports Council becoming a Power Partner with the Cities Power Partnership program. We believe the program to be consistent with Council's Environmental Sustainability Strategy 2018-2022 and that it will facilitate knowledge sharing, collaboration and publicity. The program is free to join and the opportunity for grant application assistance provides additional incentive."*
- Council officers sought feedback from other nearby Victorian Councils participating in the CPP program about the merits and disadvantages of the program. The overall feedback received was positive.

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

#### **COUNCIL PLAN**

Participation in the CPP aligns with the *Council Plan 2017-2021*

#### **Strategic Objective: Safe and Sustainable Environments**

- *Help the community and Council to be better placed to adapt to and build resilience to climate change and other extreme events.*
- *Work with the community and stakeholders to manage the Shire's environment and biodiversity values.*

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

The CPP program has been reviewed under the *Charter of Human Rights and Responsibilities* and is considered compatible.

#### **LEGAL**

Partners have six months to select five key actions from the partnership pledges ranging from renewable energy, efficiency, transport and advocacy.

They must identify a point of contact within Council who will liaise with the Climate Council and work to implement their actions.

**POLICY IMPACTS**

Participation in the CPP program aligns with the objectives and principles of Council's Environmental Sustainability policy.

**CONFLICT OF INTEREST DECLARATION**

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

## 13. ORGANISATIONAL EXCELLENCE

### 13.1 DIFFERENTIAL RATING REVIEW

Chief Financial Officer

Directorate: Corporate and Community  
Services

Ward: All

Appendix: 1 attachment

#### **Purpose**

This report provides a basis to seek public consultation regarding differential rates and specifically the farm properties impacted by the Urban Growth Zone.

#### **Recommendation**

That Council:

1. Notes the Differential Rating Review report for Urban Growth Zone properties which responds to the General Business Motion of 9 October 2019; and
2. Notes the rating scenarios to be included in the Section 223 public consultation as part of the 2020/21 Annual Budget process.

#### **COUNCIL MOTION**

**Moved:** Cr J Gauci

**Seconded:** Cr K Cook

**CARRIED**

### **KEY ISSUES**

This report is in response to the General Business Motion dated 9 October 2019:

- That Council receive a report on the significant financial impost on ratepayers who are running genuine primary production business within the Urban Growth Zone.
- The report is to review the aims of the policy and the financial impacts of changes to the urban growth zone differential rate and for a report to be presented to Council in February 2020 for public consultation in considering the 2020/21 Budget.

### **Rating Options for Consideration**

The following six (6) scenarios are proposed for consideration.

The first scenario (Baseline) reflects the current rating status, as applied by Council's current differentials, that are in line with the adopted 2019/20 Rating Strategy.

Each of the remaining five scenarios result in a change to one or more of the current differential factors. Changing the differential factors will result in a corresponding change to the amount of rates levied for the rating category. A description of each rating category can be found in Council's adopted 2019/20 Rating Strategy. The rating categories comprise:

- Residential
- Commercial & Industrial
- Farm
- Urban Living
- Residential Development
- Vacant Land
- Recreational

The category of Recreational is governed by the Cultural & Recreational Land Act and, while not within the scope of this analysis, is included for completeness of Council's total rates levied.

The six scenarios include options to support a rate reduction to the 46 farm properties within the Urban Growth Zone. Scenarios 1 to 5 are based on the creation of a new rating category differential Urban Living Farm. This new differential would then enable the 46 farm properties, within the Urban Living Zone, to be separately identified for the application of differential rating. Currently the 46 Urban Living Farm properties are included to the Urban Living differential category that comprises a total of 130 properties with a factor of 0.9 (10% discount when compared to the residential rate factor of 1.0).

The columns highlighted in green reflect the new (Revised) rates and average rates, for each of the rating categories, when applying the results of each scenario. The Revised columns are for modelling purposes only and reflect how the 2019/20 differential rates would have been levied if Council had applied the Revised Factors. The columns comprise:

- Category – each type of rating differential that is used to levy rates.
- Revised 2019/20 Factor – the factor is used to calculate the rate in the \$. Where the factor is more than 1.0, properties in the category are levied a rates surcharge (compared to residential properties). Where the factor is less than 1.0, properties in the category are levied a rates discount (compared to residential properties).
- Current 2019/20 Factor – as applied to calculate the 2019/20 rates.
- 2020 CIV – total capital improved valuations for each category that is applied to calculate the 2019/20 rates.
- Revised 2019/20 Rate in \$ - the 'Revised Rate in \$' is multiplied by the 2020 CIV to arrive at the Revised 2019/20 Rates.
- Current 2019/20 Rate in \$ - as applied to calculate the 2019/20 rates. The 'Current Rate in \$' is multiplied by the 2020 CIV to arrive at the 2019/20 Rates.

- Revised 2019/20 Rates – resultant total rates for each category when applying each scenario.
- Number of Properties 2019/20 – number of rateable properties for each category.
- Revised Average Rates – Revised 2019/20 Rates divided by Number of Properties.
- Current Average Rates – 2019/20 Rates divided by Number of Properties.
- Revised less Current Average Rates – impact to each category when applying each scenario. Reflects the change in rates to ratepayers in the category. Negative results reflect the ‘average’ annual rates reduction. Positive result reflects the ‘average’ annual rates increase.
- Revised / Current Rates % Increase – the % increase or decrease (brackets) for each scenario.

Scenario - Baseline

The baseline reflects the current position and rating differentials as adopted within the 2019/20 Rating Strategy.

In this scenario the Urban Living category comprises a total of 130 properties with 2019/20 current average rates of \$10,205. Average rates for the remaining categories are reflected in the table below under heading ‘Current Average Rates 2019/20’.

<b>Baseline - no change</b>						
<b>Category</b>	<b>Current 2019/20 Factor</b>	<b>2020 CIV</b>	<b>Current 2019/20 Rate in \$</b>	<b>Number of Properties 2019/20</b>	<b>Current Rates 2019/20</b>	<b>Current Average Rates 2019/20</b>
Residential	1.00	9,693,821,000	0.003433	20,907	\$33,278,887	\$1,592
Commercial & Industrial	1.20	1,214,689,000	0.004119	1,573	\$5,003,304	\$3,181
Farm	0.90	2,746,044,000	0.003089	2,315	\$8,485,276	\$3,664
Urban Living	0.90	429,478,000	0.003089	130	\$1,327,087	\$10,205
Residential Development	1.30	68,015,000	0.004463	9	\$303,551	\$33,728
Vacant Land	1.80	525,625,000	0.006179	1,954	\$3,247,837	\$1,662
Recreational		17,151,000	0.003433	14	\$58,879	\$4,206
<b>Total</b>		<b>14,694,823,000</b>		<b>26,902</b>	<b>\$51,704,822</b>	<b>\$1,922</b>

Scenario 1

This scenario shows the resultant average rates when the 46 Urban Living Farm properties are reduced from a factor of 0.9 to a factor of 0.45.

On average ratepayers in this category would receive an annual rates reduction of \$8,835. The remaining categories would receive an increase in average rates (refer Revised less Current Average Rates) in order that the total rates levied by Council remains unaltered.



The average impact on residential ratepayers is an increase of \$13 per assessment.

<b>Scenario 1</b>		<b>New Differential 0.45 (lowest)</b>									
Category	Revised 2019/20 Factor	Current 2019/20 Factor	2020 CIV	Revised 2019/20 Rate in \$	Current 2019/20 Rate in \$	Revised 2019/20 Rates	Number of Properties 2019/20	Revised Average Rates	Current Average Rates	Revised less Current Average Rates	Revised / Current Rates % Increase
Residential	1.00	1.00	9,693,821,000	0.00346	0.003433	\$33,540,621	20,907	\$1,604	\$1,592	\$13	0.8%
Commercial & Industrial	1.20	1.20	1,214,689,000	0.004152	0.004119	\$5,043,389	1,573	\$3,206	\$3,181	\$25	0.8%
Farm	0.90	0.90	2,746,044,000	0.003114	0.003089	\$8,551,181	2,315	\$3,694	\$3,664	\$30	0.8%
Urban Living	0.90	0.90	164,202,000	0.003114	0.003089	\$511,325	84	\$6,087	\$6,038	\$49	0.8%
<b>Urban Living Farm</b>	<b>0.45</b>	<b>0.90</b>	<b>265,276,000</b>	<b>0.001557</b>	<b>0.003089</b>	<b>\$413,035</b>	<b>46</b>	<b>\$8,979</b>	<b>\$17,814</b>	<b>(\$8,835)</b>	<b>(49.6%)</b>
Residential Development	1.30	1.30	68,015,000	0.004498	0.004463	\$305,931	9	\$33,992	\$33,728	\$265	0.8%
Vacant Land	1.80	1.80	525,625,000	0.006228	0.006179	\$3,273,593	1,954	\$1,675	\$1,662	\$13	0.8%
Recreational	-	-	17,151,000	0.00346	0.003433	\$59,342	14	\$4,239	\$4,206	\$33	0.8%
<b>Total</b>			<b>14,694,823,000</b>			<b>\$51,698,417</b>	<b>26,902</b>	<b>\$1,922</b>	<b>\$1,922</b>	<b>\$0</b>	<b>0.0%</b>

### Scenario 2

This scenario shows the resultant average rates when:

- The 46 Urban Living Farm properties are reduced from a factor of 0.9 to a factor of 0.45; and
- The 2,315 Farm properties receive a reduction from a factor of 0.9 to a factor of 0.45.

On average Farm and Urban Living Farm properties would receive an annual rates reduction of \$1,651 and \$8,027 respectively. The remaining categories would receive an increase in average rates (refer Revised less Current Average Rates) in order that the total rates levied by Council remains unaltered.

This scenario is based on all farming properties incurring the same differential rate. In simple terms, all farms are treated equally.

The average impact on residential ratepayers is an increase of \$157 per assessment.

<b>Scenario 2</b>		<b>New Differential 0.45 &amp; Farms 0.45</b>									
Category	Revised 2019/20 Factor	Current 2019/20 Factor	2020 CIV	Revised 2019/20 Rate in \$	Current 2019/20 Rate in \$	Revised 2019/20 Rates	Number of Properties 2019/20	Revised Average Rates	Current Average Rates	Revised less Current Average Rates	Revised / Current Rates % Increase
Residential	1.00	1.00	9,693,821,000	0.003772	0.003433	\$36,565,093	20,907	\$1,749	\$1,592	\$157	9.9%
Commercial & Industrial	1.20	1.20	1,214,689,000	0.004527	0.004119	\$5,498,897	1,573	\$3,496	\$3,181	\$315	9.9%
<b>Farm</b>	<b>0.45</b>	<b>0.90</b>	<b>2,746,044,000</b>	<b>0.001697</b>	<b>0.003089</b>	<b>\$4,660,037</b>	<b>2,315</b>	<b>\$2,013</b>	<b>\$3,664</b>	<b>(\$1,651)</b>	<b>(45.1%)</b>
Urban Living	0.90	0.90	164,202,000	0.003395	0.003089	\$557,466	84	\$6,636	\$6,038	\$598	9.9%
<b>Urban Living Farm</b>	<b>0.45</b>	<b>0.90</b>	<b>265,276,000</b>	<b>0.001697</b>	<b>0.003089</b>	<b>\$450,173</b>	<b>46</b>	<b>\$9,786</b>	<b>\$17,814</b>	<b>(\$8,027)</b>	<b>(45.1%)</b>
Residential Development	1.30	1.30	68,015,000	0.004904	0.004463	\$333,546	9	\$37,061	\$33,728	\$3,333	9.9%
Vacant Land	1.80	1.80	525,625,000	0.00679	0.006179	\$3,568,994	1,954	\$1,827	\$1,662	\$164	9.9%
Recreational	-	-	17,151,000	0.003772	0.003433	\$64,694	14	\$4,621	\$4,206	\$415	9.9%
<b>Total</b>			<b>14,694,823,000</b>			<b>\$51,698,899</b>	<b>26,902</b>	<b>\$1,922</b>	<b>\$1,922</b>	<b>\$0</b>	<b>0.0%</b>

**Scenario 3**

This scenario shows the resultant average rates when:

- The 46 Urban Living Farm properties are reduced from a factor of 0.9 to a factor of 0.4; and
- The Vacant Land properties receive a reduction from a factor of 1.8 to a factor of 1.6.

On average Urban Living Farm and Vacant Land properties would receive an annual rates reduction of \$9,769 and \$161 respectively. The remaining categories would receive an increase in average rates (refer Revised less Current Average Rates) in order that the total rates levied by Council remains unaltered.

The average impact on residential ratepayers is an increase of \$26 per assessment.

<b>Scenario 3 New Differential 0.4 (lowest) and Vacant Land 1.6</b>											
Category	Revised 2019/20 Factor	Current 2019/20 Factor	2020 CIV	Revised 2019/20 Rate in \$	Current 2019/20 Rate in \$	Revised 2019/20 Rates	Number of Properties 2019/20	Revised Average Rates	Current Average Rates	Revised less Current Average Rates	Revised / Current Rates % Increase
Residential	1.00	1.00	9,693,821,000	0.003488	0.003433	\$33,812,048	20,907	\$1,617	\$1,592	\$26	1.6%
Commercial & Industrial	1.20	1.20	1,214,689,000	0.004185	0.004119	\$5,083,473	1,573	\$3,232	\$3,181	\$51	1.6%
Farm	0.90	0.90	2,746,044,000	0.003139	0.003089	\$8,619,832	2,315	\$3,723	\$3,664	\$59	1.6%
Urban Living	0.90	0.90	164,202,000	0.003139	0.003089	\$515,430	84	\$6,136	\$6,038	\$98	1.6%
<b>Urban Living Farm</b>	<b>0.40</b>	<b>0.90</b>	<b>265,276,000</b>	<b>0.001395</b>	<b>0.003089</b>	<b>\$370,060</b>	<b>46</b>	<b>\$8,045</b>	<b>\$17,814</b>	<b>(\$9,769)</b>	<b>(54.8%)</b>
Residential Development	1.30	1.30	68,015,000	0.004534	0.004463	\$308,380	9	\$34,264	\$33,728	\$537	1.6%
<b>Vacant Land</b>	<b>1.60</b>	<b>1.80</b>	<b>525,625,000</b>	<b>0.005581</b>	<b>0.006179</b>	<b>\$2,933,513</b>	<b>1,954</b>	<b>\$1,501</b>	<b>\$1,662</b>	<b>(\$161)</b>	<b>(9.7%)</b>
Recreational	-		17,151,000	0.003488	0.003433	\$59,823	14	\$4,273	\$4,206	\$67	1.6%
<b>Total</b>			<b>14,694,823,000</b>			<b>\$51,702,559</b>	<b>26,902</b>	<b>\$1,922</b>	<b>\$1,922</b>	<b>\$0</b>	<b>0.0%</b>

**Scenario 4**

This scenario shows the resultant average rates when the 46 Urban Living Farm properties are reduced from a factor of 0.9 to a factor of 0.7.

On average ratepayers in this category would receive an annual rates reduction of \$83,910. The remaining categories would receive an increase in average rates (refer Revised less Current Average Rates) in order that the total rates levied by Council remains unaltered.

The average impact on residential ratepayers is an increase of \$6 per assessment.

<b>Scenario 4 New Differential 0.7 (mid-point)</b>											
Category	Revised 2019/20 Factor	Current 2019/20 Factor	2020 CIV	Revised 2019/20 Rate in \$	Current 2019/20 Rate in \$	Revised 2019/20 Rates	Number of Properties 2019/20	Revised Average Rates	Current Average Rates	Revised less Current Average Rates	Revised / Current Rates % Increase
Residential	1.00	1.00	9,693,821,000	0.003445	0.003433	\$33,395,213	20,907	\$1,597	\$1,592	\$6	0.3%
Commercial & Industrial	1.20	1.20	1,214,689,000	0.004134	0.004119	\$5,021,524	1,573	\$3,192	\$3,181	\$12	0.4%
Farm	0.90	0.90	2,746,044,000	0.0031	0.003089	\$8,512,736	2,315	\$3,677	\$3,664	\$13	0.4%
Urban Living	0.90	0.90	164,202,000	0.0031	0.003089	\$509,026	84	\$6,060	\$6,038	\$22	0.4%
<b>Urban Living Farm</b>	<b>0.70</b>	<b>0.90</b>	<b>265,276,000</b>	<b>0.002411</b>	<b>0.003089</b>	<b>\$639,580</b>	<b>46</b>	<b>\$13,904</b>	<b>\$17,814</b>	<b>(\$3,910)</b>	<b>(21.9%)</b>
Residential Development	1.30	1.30	68,015,000	0.004478	0.004463	\$304,571	9	\$33,841	\$33,728	\$113	0.3%
<b>Vacant Land</b>	<b>1.80</b>	<b>1.60</b>	<b>525,625,000</b>	<b>0.006201</b>	<b>0.006179</b>	<b>\$3,259,401</b>	<b>1,954</b>	<b>\$1,668</b>	<b>\$1,662</b>	<b>\$6</b>	<b>0.4%</b>
Recreational	-		17,151,000	0.003445	0.003433	\$59,085	14	\$4,220	\$4,206	\$15	0.3%
<b>Total</b>			<b>14,694,823,000</b>			<b>\$51,701,138</b>	<b>26,902</b>	<b>\$1,922</b>	<b>\$1,922</b>	<b>\$0</b>	<b>0.0%</b>

**Scenario 5**

This scenario shows the resultant average rates when:

- The 46 Urban Living Farm properties are reduced from a factor of 0.9 to a factor of 0.7; and
- The 2,315 Farm properties also receive a reduction from a factor of 0.9 to a factor of 0.7.

On average Farm and Urban Living Farm properties would receive an annual rates reduction of \$695 and \$3,379 respectively. The remaining categories would receive an increase in average rates (refer Revised less Current Average Rates) in order that the total rates levied by Council remains unaltered.

This scenario is based on all farming properties incurring the same differential rate. In simple terms, all farms are treated equally.

The average impact on residential ratepayers is an increase of \$66 per assessment.

<b>Scenario 5 New Differential 0.7 &amp; Farms 0.7</b>											
Category	Revised 2019/20 Factor	Current 2019/20 Factor	2020 CIV	Revised 2019/20 Rate in \$	Current 2019/20 Rate in \$	Revised 2019/20 Rates	Number of Properties 2019/20	Revised Average Rates	Current Average Rates	Revised less Current Average Rates	Revised / Current Rates % Increase
Residential	1.00	1.00	9,693,821,000	0.003576	0.003433	\$34,665,104	20,907	\$1,658	\$1,592	\$66	4.2%
Commercial & Industrial	1.20	1.20	1,214,689,000	0.004291	0.004119	\$5,212,230	1,573	\$3,314	\$3,181	\$133	4.2%
<b>Farm</b>	<b>0.70</b>	<b>0.90</b>	<b>2,746,044,000</b>	<b>0.002503</b>	<b>0.003089</b>	<b>\$6,873,348</b>	<b>2,315</b>	<b>\$2,969</b>	<b>\$3,664</b>	<b>(\$695)</b>	<b>(19.0%)</b>
Urban Living	0.90	0.90	164,202,000	0.003218	0.003089	\$528,402	84	\$6,291	\$6,038	\$252	4.2%
<b>Urban Living Farm</b>	<b>0.70</b>	<b>0.90</b>	<b>265,276,000</b>	<b>0.002503</b>	<b>0.003089</b>	<b>\$663,986</b>	<b>46</b>	<b>\$14,434</b>	<b>\$17,814</b>	<b>(\$3,379)</b>	<b>(19.0%)</b>
Residential Development	1.30	1.30	68,015,000	0.004649	0.004463	\$316,202	9	\$35,134	\$33,728	\$1,406	4.2%
Vacant Land	1.80	1.80	525,625,000	0.006436	0.006179	\$3,382,923	1,954	\$1,731	\$1,662	\$69	4.2%
Recreational	-		17,151,000	0.003576	0.003433	\$61,332	14	\$4,381	\$4,206	\$175	4.2%
<b>Total</b>			<b>14,694,823,000</b>			<b>\$51,703,527</b>	<b>26,902</b>	<b>\$1,922</b>	<b>\$1,922</b>	<b>\$0</b>	<b>0.0%</b>

**Background**

**Urban Living Land**

Council's 2019/20 Rating Strategy defines the Urban Living differential as land within the Urban Growth Zone with an area in excess of two hectares.

While there is currently a total of 130 properties that attract the Urban Living rate differential, only 46 of these properties would qualify as farm (genuine primary production) based on the Farm Rate Land criteria within the 2019/20 Rating Strategy.

The 46 genuine primary production properties are derived from the total of 130 Urban Living Land rate properties as follows:

- Seven properties recently received planning permits and no longer qualify as Urban Living. These properties will be reclassified to Residential Development differential that attracts a 30% surcharge rather than receiving the current 10% discount;
- Nine properties have lodged a permit to subdivide pending receipt of a planning permit that will also result in their reclassification to Residential Development differential;

- The remaining 114 properties attract the Urban Living differential and comprise a mix of residential, farm and industrial properties:
  - 67 residential properties – used primarily for residential purposes, includes a habitable building or not classified as one of the other differentials.
  - 46 farm properties – generally more than 20 hectares however can be as small as two hectares if Council has received a completed Farm Rate application.
  - One Industrial property – telecommunication tower.

### Rating Strategy

Council's 2019/20 Rating Strategy defines Urban Living Land as land:

- Within the Urban Growth Zone and more than two hectares;
- That does not have a planning permit authorising subdivision;
- Is primary used for residential with any farming considered a secondary use;
- Where residents are provided a 10% discount on the basis that they may not receive the same level of Council services as residents in the general / residential areas.

Council's 2019/20 Rating Strategy defines Farm Rate Land as land:

- That has a significant and substantial commercial purpose or character;
- Seeks to make a profit on a continuous or repetitive basis from its activities on the land;
- Is making a profit from its activities on the land or has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating;
- Has an area of at least 40 hectares and is used predominantly for the business of grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities; or
- Has an area of not less than two hectares and less than 40 hectares for grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities and demonstrates, upon application, that the primary source of income is derived from the land that is used for a business.

### Ministerial Guidelines for Differential Rating

The Ministerial Guidelines sets out the types and classes of land appropriate for differential rating. It is important that any future change to Council's Rating

Strategy remain consistent with the Ministerial Guidelines for Differential Rating issued during April 2013.

The guidelines set out the objectives of differential rating mainly to ensure the equitable imposition of rates and charges. The guidelines also refer to the following criteria that are not considered to be an appropriate use of differential rating:

- It is not appropriate to utilise differential rating powers to prevent, mitigate, or discourage legitimate land uses (with the exception of vacant or derelict land);
- It is not appropriate to declare a differential rate that is narrowly defined such as for electronic gaming machine venues or liquor outlet premises;
- Also included as an inappropriate use, is land within an Urban Growth Zone without an approved Precinct Structure Plan in place.
- Alternatives to Differential Rating – the guidelines refer to circumstances whereby significant rate volatility occurs as a result of large movements in valuation may be more appropriately addressed through the use of other revenue instruments such as a rebate or deferred payment rather than through the use of differential rating.

#### Equity and Capacity to Pay considerations

- Council's Rating Strategy details the application of differential rates in order to most appropriately allocate the rate burden based on the principles of fairness, equity and the capacity to pay.
  - Horizontal equity is designed to reflect the principles of justice and fairness in the treatment of like properties wherein similar rates are levied on similar properties. Provided property valuations are able to fairly reflect the true valuation of like properties then horizontal equity can be achieved.
  - Vertical equity refers to the justice and fairness in the treatment of properties in different circumstances. That is, differing property types such as residential, commercial & Industrial, farming and vacant land. In the case of property rates, it may be considered equitable for one type of property to have to bear more or less of the rates burden than another type of property. In order to achieve vertical equity, each Council requires the capacity to consider the valuation base it chooses to adopt to apply property rates and the application of the various rating tools available to Council such as differential rates.
  - Capacity to pay is an imperfect approach as it attempts to apply property values as a means of assessing a resident's ability to pay annual rates. A frequently raised example is pensioners who live in their family home which carries a high value but live on a pension. The equity question for consideration however is whether Council

should support such residents in this situation with lower rates that will eventually be to the financial benefit of estate beneficiaries, or whether the ability to defer rates (in all or in a part) represents a more equitable outcome for all ratepayers.

- The Benefit principle is based on residents seeking to equate the level of rates paid with the amount of benefit they individually achieve. Provided rates are assessed as a tax, similar to the concept of PAYG taxation, then the benefit principle should not be applied to local government rating principles.

### **TRIPLEBOTTOMLINE IMPLICATIONS**

#### **Financial Impact**

The review considers the equitable distribution of rates and charges and has no financial impact on the quantum of rates required.

#### **Environmental Impact**

This review has no impact on the environment.

#### **Community Impact**

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

#### **Consultation**

Consultation regarding Council's adopted Rating Strategy, that forms the basis of this review was in accordance with Section 223 of the Act. Consultation will occur during May 2020 prior to the annual declaration of rates and charges.

#### **Legal/Council Plan/Policy Impact**

#### **COUNCIL PLAN**

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

#### **Strategic Objective 4: *Organisational Excellence***

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

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

This Review 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.

**13.2 QUARTERLY PERFORMANCE REPORT FOR Q2 2019/20 AND MID YEAR BUDGET REVIEW**

Manager People and Strategy, Corporate Planner, Administration Officer - Infrastructure Delivery,  
Manager Infrastructure Delivery and Environment,  
Finance Manager , Chief Financial Officer

Directorate: Corporate and Community Services, Community Infrastructure,  
Ward: All  
Appendix: 4 attachments

**PURPOSE**

The purpose of this report is to:

- Provide Council with the Quarterly Performance Report for Quarter 2 of the 2019/20 year.
- Present Council with the findings following completion of the Mid-Year Budget Review and the financial position for the six months to 31 December 2019.
- Provide options for funding additional Capital Works Projects.

**RECOMMENDATION**

That Council:

1. Notes the Quarterly Performance Report for Quarter 2 2019/20;
2. Notes the Financial Report for the six months ended 31 December 2019 and notes the Mid-Year Budget Review that identifies forecast year end cash savings of \$0.55 million.
3. Notes the Capital Works Project Quarterly Update attached to this report; and
  - a) Allocates \$150,000 in the mid-year budget review for the construction of additional carparking spaces to service the new Trafalgar Early Learning Centre;
  - b) Allocates \$85,000 in the mid-year budget review for the fitout of the Trafalgar Early Learning Centre (to combine with the contribution from the Victorian School Building Authority); and
  - c) Allocates \$120,000 in the mid-year budget review along with the \$60,000 operating initiative (to hire change room facilities) for the purchase and installation of temporary change facilities at Trafalgar Recreation Reserve.

**COUNCIL MOTION**

**Moved:** Cr M Power  
**Seconded:** Cr J Gauci

**CARRIED**

**KEY ISSUES**

- A performance report is prepared at the end of each quarter of the financial year informing Council and the community of Council's progress towards its strategic objectives as set out in the Council Plan 2017 - 2021.



- The Quarterly Performance Report is made up of:
  - Progress on the actions contained in the Council Plan for the 2019/20 year.
  - Key Performance Indicators including the statutory Local Government Performance Reporting Framework measures contained in the *Local Government Act 1989*.
  - Capital Works program progress update.
  - Financial Statements, including income statement, capital works statement, balance sheet, and cash flow statement.

**Council Plan actions:**

- A total of 16 projects are included in the Council Plan report. These are the key projects nominated in the Council Plan and Budget for the 2019/20 year.
- All projects are currently in progress. No project is noted as being off-track.
- During Quarter 2, the following projects, included as Council Plan initiatives were completed:
  - Extension of the Drouin Early Learning Centre.

**Key Performance Indicators and LGPRF:**

All Performance Indicators are showing performance is good against their targets, except for AM3 Cost of animal management service. Animal management costs were separated from the Community Compliance team costs at the end of Quarter 1. Invoicing over the period has resulted in increased costs reflected in Quarter 2, however these are expected to balance over remaining quarters.

**Capital Works Program:**

- As part of the approved Council budget, there were a total of 98 projects and programs approved within the 2019/20 Capital Works Program.
- 35 projects were carried forward from the 2018/19 financial year, resulting in a total program of 133 capital works projects, with a combined value of \$39.86 million as at the end of Quarter 1.
- During Quarter 2, as a result of successful funding applications, six new projects were included within the 2019/20 Capital Works Program with a combined value of \$0.72 million. The new projects are as follows:
  - 100916 Black Spot Program-Lardner Road, Drouin.
  - 100917 Black Spot Program-Lardners Track, Warragul.
  - 100918 Black Spot Program-Mountain Glen Drive, Trafalgar East & Moe.
  - 100919 Drouin CCTV Camera Installation Project.
  - 100920 Safe Access to Public Facilities - Princes Highway, Yarragon.

- 100921 Flexible Local Transport Solutions Program - Buln Buln Road.
- Five of the new projects are funded by the Department of Transport (DOT), with the Drouin CCTV Camera Installation partially funded by the DOT.
- The total number of projects and programs included within the 2019/20 Capital Works Program at the end of Quarter 2 was 139 with a combined value of \$40.58 million.
- A summary of the status of each project as at the end of December 2019 is provided in the below table. An update for each project can be found in the attached report.

PROJECT STATUS	COUNT
On track	110
Not Started	0
Deferred	5
At Risk	9
No longer delivered by Council	1
Complete	14
<b>Total Projects</b>	<b>139</b>

- At the end of December 2019, \$8.56 million of the total program had been expended, with an additional \$5.77 million in financial commitments.
- Three key infrastructure projects have arisen for funding consideration at this time in addition to the current Capital Works Program. These are:
  - The need for formalised carparking to support the Trafalgar Early Learning Centre that was delivered onsite by the Victorian School Building Authority in December 2019. A budget allocation of \$150,000 is recommended to cater for additional carparking in excess of the eight spaces that are being proposed by the VSBA.
  - An \$85,000 contribution towards the fit out of the Trafalgar Early Centre to complement the available Victorian School Building Authority budget. The fit out for a dual room at a cost of \$120,000 has been based upon Council's experience of delivering similar projects at a standard fit out cost of \$60,000 per room. The Victorian School Building Authority have \$35,000 available for fit out.
  - A proposal to purchase temporary change room facilities for the Trafalgar Recreation Reserve as an alternative option to that which was funded as an operating initiative. The operating initiative of \$60,000 was allocated following a budget submission from

Trafalgar Victory Football Club requesting changeroom hire. Officers have assessed the feasibility of purchasing temporary changerooms, to be installed at Trafalgar Recreation Reserve until the Trafalgar Recreation Precinct Multi-Use Pavilion is constructed, against long term hire. Quotations have been sought to understand the potential costs of this project and are currently being evaluated.

**2019/20 Mid-Year Budget Review:**

- The 2019/20 Mid-Year Budget Review provides Council with the opportunity to review its operations since the adoption of the 2019/20 Budget and consider any necessary adjustments to reflect the latest forecast financial position.
- During December 2019 and January 2020 officers were required to review their detailed operating and capital budgets to identify income and expenditure for the 12 months of the financial year.
- The Mid-Year Budget Review has identified forecast cash savings of \$0.55 million from the 2019/20 operating budget. While the reported cash deficit variance is \$0.65 million, there is a further \$1.20 million of available cash reserves that can be used to offset the \$0.65 million deficit. Inclusion of the \$1.2 million additional cash reserves results in a net surplus of \$0.55 million. The \$0.55 million is then deployed to fund New Initiatives included to the draft 2020/21 Budget.
- The reported deficit variance of \$0.65 million mainly comprises:
  - Rates & charges \$0.47 million - Supplementary rates have increased due to rates and waste charges for new properties and/or extensions to dwellings.
  - Operating Grants \$0.79 million – this increase is mainly due to higher than expected income from the Financial Assistance Grants (FAG) and additional grant income attributed to the Family & Children’s Services area. Note Council received in June 2019 \$4.56 million income in advance for the 2019/20 Financial Assistance Grant.
  - User Fees & Statutory Fees \$0.16 million – the additional income is from statutory fees & fines mainly for planning related activity.
  - Other income \$0.09 million – mainly comprises additional income resulting from investment of Council’s portfolio of statutory and discretionary reserve funds.
  - Employee costs \$0.28 million – forecast savings in salaries due to a number of staff vacancies across Council. This forecast savings is offset by higher than expected agency staff costs (refer Materials, services and contracts below) necessary to backfill the vacant staff positions for critical services.
  - Materials, services and contracts (non-salary expenses) (\$2.40 million) – over expenditure primarily in the areas of legal costs, agency staff costs, fleet operations, depot operations and family

day care expenses. The overbudget costs for agency staff costs are offset by employee cost savings as identified above.

- Other expenses (\$0.02 million) – mainly due to an increase in IT operating leases as a result of the decision to lease hardware for network firewalls instead of purchase.

The review of the capital budget has not yet identified any material variances to budget resulting in the year-end forecast remaining equal to the total allocated budget funding.

**Cash Surplus:**

The enclosed Financial Report identifies a forecast surplus of \$15.78 million that comprises cash and non-cash items. The surplus is based on Accounting Standards and does not reflect the cash available to Council for future purposes.

The accounting surplus of \$15.78 million is then converted to an accumulated cash surplus to reflect the available cash after receipt of all revenue and payment of all expenses.

The following table represents the movement of \$15.78 million operating surplus (accounting surplus) that is then converted to an accumulated cash surplus of \$0.69 million after adding back the impact of non-cash items (such as depreciation) and deducting cash items that are not included to the operating surplus (mainly capital expenses).

	Amended Budget 2019/20 \$ millions	Forecast 2019/20 \$ millions	Variance Fav/(unfav) \$ millions
Operating Surplus – Financial Report	\$17.37m	\$15.78m	(\$1.59m)
Add back non-cash items (mainly depreciation & non-cash income)	\$11.13m	\$9.50m	(\$1.63m)
Less non-operating cash items (mainly capital)	(\$30.37m)	(\$27.80m)	(\$2.57m)
<b>Equals Cash Deficit 2019/20</b>	<b>(\$1.87m)</b>	<b>(2.52m)</b>	<b>(\$0.65m)</b>
Plus B/forward Surplus from prior years	\$3.21m	\$3.21m	-
<b>Equals Accumulated Cash Surplus</b>	<b>\$1.34m</b>	<b>\$0.69m</b>	<b>(\$0.65m)</b>

**Financial Statement for the six months ended 31 December 2019:**

- Financial report for Quarter 2 ended 31 December 2019, including income statement, capital works statement, balance sheet and cash flow statement identifies Council's financial position to date.
- The Income Statement reports a year to date surplus of \$8.40 million that is a \$4.26 million variance when compared to the amended budget (adopted budget plus carryover). The favourable variance is primarily due to higher than expected subdivision activity resulting in more timely recognition of assets gifted to Council from developers.
- The Capital Works Statement reports year to date expenditure of \$8.56 million that is a \$5.88 million variance when compared to the amended budget (adopted budget plus carryover). The variance is primarily in the roads, drainage and in the recreational, leisure and community facilities programs.
- The Balance Sheet reports forecast net assets of \$792.83 million that represents a \$78.78 million favourable variance when compared to the amended budget.
- The Cash Flow Statement for Council reports forecast cash at the end of the financial year as \$51.40 million that represents an increase in cash of \$13.20 million. The favourable variance mainly relates to higher than expected cash balance at the commencement of the financial year due to earlier than expected receipt of Financial Assistance Grants funding and higher than expected cash held for carry forward capital projects.

**TRIPLEBOTTOMLINE IMPLICATIONS**

The Quarterly Report provides an overview of Council's performance with respect to the Council Plan, Budget and Capital Works Program.

**CONSULTATION**

The Quarterly Performance Report will be available to the community via the published Council Papers on the Baw Baw Shire Council website.

**LEGAL/COUNCIL PLAN/POLICY IMPACT**

**COUNCIL PLAN**

This Quarterly Performance Report assists with the achievement of the key strategic objective as set out in the Council Plan 2017-2021: *Vibrant Communities and Organisational Excellence*.

**CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES**

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

**LEGAL**

Council is required to report regularly on its performance. The Quarterly Performance report meets this requirement.

**CONFLICT OF INTEREST DECLARATION**

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

**OPTIONS FOR CONSIDERATION**

1. Consider the information outlined in the Quarterly Performance Report;  
and
2. Support in full (or in part) the funding of the recommended additional capital works projects through the proposed funding reallocations

### **13.3 APPOINTMENT OF INTERIM CHIEF EXECUTIVE OFFICER**

Manager Governance

Directorate: Corporate and Community  
Services

Ward: All

Appendix: 1 attachment

#### **PURPOSE**

To note the resignation of Chief Executive Officer Alison Leighton, appoint and delegate an interim Chief Executive Officer and appoint a suitably qualified and experienced recruitment agency to undertake the recruitment campaign inviting applications for the role of the permanent Baw Baw Shire Council Chief Executive Officer.

#### **RECOMMENDATION**

That Council:

1. Accepts and notes the resignation of Chief Executive Officer, Alison Leighton and subsequent vacancy which Council is obliged to fill; and,
2. Appoint Mr Mark Dupe as its Interim Chief Executive Officer from 13<sup>th</sup> March 2020 until such time as a permanent appointment to this position is made, but no later than 12<sup>th</sup> March 2021; and,
3. Adopts and seals with the Council Seal the attached delegation (attachment 1) to the Baw Baw Shire Council Interim Chief Executive Officer, Mr Mark Dupe, with powers outlined in the Instrument of Delegation that becomes effective from 13<sup>th</sup> March 2020 until such time as a permanent appointment to this position is made; and,
4. In accordance with the current endorsed Baw Baw Shire Council procurement policy, authorise the Manager People and Culture for Baw Baw Shire Council to appoint, following discussions with the Council, a suitably qualified and experienced recruitment agency to carry out a recruitment campaign, inviting applications on behalf of Baw Baw Shire Council for the role of the Chief Executive Officer; and,
5. Congratulates and wishes Alison Leighton well on her appointment as General Manager – Strategy, Planning and Climate Change at the City of Melbourne and thanks Alison for her leadership throughout the organisation and community of Baw Baw Shire.

#### **COUNCIL MOTION**

**Moved:** Cr J Gauci

**Seconded:** Cr M Power

**CARRIED**

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

- Alison Leighton tendered her resignation to the Mayor on Thursday 20 February with an end date of 13 March 2020. Alison's resignation is accepted reluctantly by the Council.

- Alison commenced in the role of Chief Executive Officer with Baw Baw Shire on 21 August 2017. The Council wishes to acknowledge the work, time and energy that Alison has given to her role as CEO. Alison's leadership has been impressive and well received by this Council, the staff and appreciated by the wider community.
- The Council will immediately begin a recruitment campaign for a new Chief Executive Officer. This report provides a recommendation to engage a suitable recruitment firm that meets Council's objectives for the campaign. Council will appoint a suitable firm in accordance with Council's Procurement Policy.
- In accordance with the *Local Government Act 1989*, Council proposes to appoint Mr Mark Dupe as interim Chief Executive Officer commencing 13 March 2020, for a period not greater than twelve months. Mr Dupe is currently the Director of Corporate and Community Services and has filled the Acting CEO role when Ms Leighton has been on leave.
- This report recommends that Council provides delegation to the Interim CEO in accordance with the attached instrument of delegation to be signed and sealed by Council.

### **TRIPLE BOTTOM LINE IMPLICATIONS**

#### **COMMUNITY IMPACT**

No immediate community impact with a seamless transition to an interim CEO.

#### **ENVIRONMENTAL IMPACT**

There is no directly relevant impact with this report

#### **FINANCIAL IMPACT**

Costs will be managed within the 2019/20 operational budget.

### **CONSULTATION**

Consultation is not required for this appointment.

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

#### **COUNCIL PLAN**

This report assists with 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.

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

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



**LEGAL**

Council is acting in accordance with Section 94 of the *Local Government Act 1989*.

**POLICY IMPACTS**

There are no policy impacts with this report.

**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**

Cr Cook	Cr Cook attended the SEATS Meeting, 20 – 21 February, which was held on Phillip Island.
Cr Power	Cr Power attended the Early Years Advisory Committee Meeting on the 21 February and the Arts and Culture Advisory Committee on the 25 February.

## 16. ASSEMBLY OF COUNCILLORS

### 16.1 ASSEMBLY OF COUNCILLORS

Governance Officer

Directorate: Corporate and Community  
Services

Ward: All

Appendix: 4 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 January to Friday 14 February 2020.

#### **COUNCIL MOTION**

**Moved:** Cr T Jones

**Seconded:** Cr J O'Donnell

**CARRIED**

#### **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

Nil

## **18. GENERAL BUSINESS**

### **18.1 GENERAL BUSINESS MOTION**

(Submitted by Cr Mikaela Power)

#### **RECOMMENDATION**

That Council creates a report to be presented to Council, no later than at its April 22 Council Meeting, considering future uses of the land on Landsborough Rd which the Warragul Rotary Club will be vacating at the end of 2020.

#### **COUNCIL MOTION**

**Moved:** Cr M Power

**Seconded:** Cr J Gauci

**CARRIED**

### **18.2 CONDOLENCE MOTION – MR TONY OSLER**

(Submitted by Cr Keith Cook)

#### **CONDOLENCE MOTION**

That Council extend its sincere condolences to the family of Mr. Tony Osler on his recent passing and write a letter of condolence from Council to his wife Jackie Osler and family.

#### **COUNCIL MOTION**

**Moved:** Cr K Cook

### **18.3 CONDOLENCE MOTION – MR JOHN ISLES**

#### **CONDOLENCE MOTION**

That Council extend its sincere condolences to the family and friends of Mr. John Isles and notes the contribution made to Baw Baw Shire Community through his dedication to our Volunteer Programs.

#### **COUNCIL MOTION**

**Moved:** Cr P Kostos

**18.4 CONDOLENCE MOTION – MS HILARY HULBERT**

**RECOMMENDATION**

That Council extends its condolence to the family and friends of Hilary Hulbert and notes her expansive contribution to Baw Baw Shire as an Aged Care support worker from December 2009 to November 2015

**COUNCIL MOTION**

**Moved:** Cr M Power

**Meeting closed at 7:40pm**

**Confirmed at this meeting 11 MARCH 2020**

.....  
**Cr P Kostos**  
**Deputy Mayor**