

SOUTH GIPPSLAND SHIRE COUNCIL

Council Minutes

Ordinary Meeting of Council

20 November 2019

Ordinary Meeting No. 440
Council Chambers, Leongatha
Commenced at 2pm

ADMINISTRATORS

Julie Eisenbise, Chair

Christian Zahra, Deputy Chair

Rick Brown



minutes



*South Gippsland
Shire Council*

Come for the beauty, Stay for the lifestyle



MISSION

South Gippsland Shire will be a place where our quality of life and sense of community are balanced by sustainable and sensitive development, population and economic growth.

Privacy

Council is required to keep minutes of each Council meeting. The minutes contain details of proceedings which may include personal information about community members disclosed as part of presentations, submissions and questions. The minutes of Council meetings are a public record and can be inspected by members of the public.

Council undertakes audio recordings of Council Meetings as a contribution to good governance and accuracy of minutes. An audio recording of this meeting is being made for the purpose of verifying the accuracy of minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, and subpoena or by any other law such as the Freedom of Information Act 1982. It should be noted that other people present at the meeting may be recording the meeting and Council has limited power to regulate this. Council has developed a policy to regulate recordings, "Sound Recording of Council Meetings".

A copy of this policy is located on Council's website www.southgippsland.vic.gov.au.

PRESENT

ADMINISTRATORS:	Julie Eisenbise, Chair Christian Zahra, Deputy Chair Frederick (Rick) Brown
NOT PRESENT:	-
OFFICERS:	Bryan Word, Acting Chief Executive Officer Anthony Seabrook, Director Infrastructure Services Paul Stampton, Acting Director Development Services June Ernst, Coordinator Council Business Natasha Berry, Corporate and Council Business Officer Jodi Cumming, Corporate and Council Business Officer

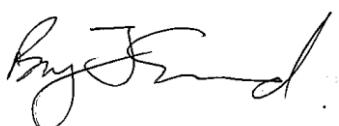
SOUTH GIPPSLAND SHIRE COUNCIL

Ordinary Meeting No. 440
Wednesday 20 November 2019
Council Chambers, Leongatha commenced at 2pm

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Bryan Sword
Acting Chief Executive Officer

1. PRELIMINARY MATTERS

1.1. LIVE-STREAMING COUNCIL MEETING DISCLAIMER

This Council Meeting is being streamed live, recorded and published in accordance with Council's *Live Streaming in Council Meetings Policy*.

To those present in the gallery today, by attending a public meeting of the Council you are consenting to your image, voice and comments being recorded and published.

Anyone who is invited to read out a question or a presentation will be recorded and their voice, image and comments will form part of the live stream and recording.

The Chair and/or the CEO have the discretion and authority at any time to direct the termination or interruption of live streaming. Such direction will only be given in exceptional circumstances where deemed relevant. Circumstances may include instances where the content of debate is considered misleading, defamatory or potentially inappropriate to be published.

Attendees are advised that they may be subject to legal action if their actions results in inappropriate and/or unacceptable behaviour and/or comments.

Today's Meeting is being streamed live as well as recorded and published on Council's website.

Thank you

1.2. WELCOME

Please ensure Mobile phones remain 'off' during the Council Meeting.

1.3. OPENING PRAYER

We pray to God to guide us so that the thoughts we have and the decisions made this day, are in the best interests of the people of the South Gippsland Shire.

Amen

1.4. ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS

The South Gippsland Shire Council respectfully acknowledges the Traditional Custodians of this Land, Elders past, present and emerging, their Spirits and Ancestors.

1.5. APOLOGIES

Nil

MOVED: Administrator Eisenbise

SECONDED: Administrator Brown

THAT STANDING ORDERS BE SUSPENDED.

CARRIED UNANIMOUSLY

The Chief Executive Officer (CEO) made an announcement as a result of a report of inappropriate behaviour from a community member towards staff during the earlier public presentation session, which he has not had time to investigate but used this forum to announce two reminders. The first is that if members of the public would like to take video or audio recording of any matters that occur during public sessions that they should seek permission to do so. Failure to seek permission may be in contravention of State and Federal Laws. He further announced that if there are issues with staff then they are to be brought to the attention of the CEO directly.

MOVED: Administrator Eisenbise

SECONDED: Administrator Brown

THAT STANDING ORDERS RESUME.

CARRIED UNANIMOUSLY

1.6. CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the South Gippsland Shire Council Ordinary Meeting No. 439, held on 23 October 2019 in the Council Chambers, Leongatha be confirmed.

MOVED: Administrator Brown

SECONDED: Administrator Zahra

THAT THE MINUTES OF THE SOUTH GIPPSLAND SHIRE COUNCIL ORDINARY MEETING NO. 439, HELD ON 23 OCTOBER 2019 IN THE COUNCIL CHAMBERS, LEONGATHA BE CONFIRMED.

CARRIED UNANIMOUSLY

1.7. DECLARATION OF CONFLICTS OF INTEREST FOR ADMINISTRATORS

Any interest that an Administrator or staff member has deemed to be significant and has disclosed as either a direct or an indirect interest is now considered to be a conflict of interest. Conflict of interest legislation is in sections 77A, 77B, 78, 78A-D and 79 of the Local Government Act 1989 (the Act). This legislation can be obtained by contacting the Council's Corporate & Community Services Directorate (Council Business) or by accessing the Victorian Legislation and Parliamentary Documents website at www.legislation.vic.gov.au.

An interest may be by close association, financial, conflicting duties or receipt of gifts. If an Administrator or staff member discloses any interest in an item discussed at any Council Meeting (whether they attend or not) they must:

- Complete a disclosure of interest form prior to the Meeting (forms are available from Council Business Department at South Gippsland Shire Council).
- Advise the Chair of the interest immediately before the particular item is considered (if attending the Meeting).
- Leave the Council Chamber or Meeting room while the item is being discussed and during any vote taken (if attending the Meeting).

The Administrator or staff member will be advised to return to the Council Chamber or Meeting room immediately after the item has been considered and the vote is complete.

Administrators should check the Minutes of the Council Meeting to ensure their disclosure is recorded accurately. Administrators are not required to disclose conflict of interest in relation to matters only considered at Meetings they do not attend. Detailed information is available in *Conflict of Interest – A Guide – October 2012*.

Nil

1.8. DECLARATION OF CONFLICTS OF INTEREST FOR STAFF

Sections 80B and 80C of the Local Government Act 1989 require members of Council staff who have delegated functions and/or provide advice to Council or a Special Committee to disclose conflicts of interest. If Council staff have written, provided information/advice or approved a Council Report and have a conflict of interest, it is the responsibility of that staff member to disclose the interest.

Guidance to identifying and disclosing a conflict of interest is contained in the Victorian State Government, Department of Transport, Planning and Local Infrastructure – *Conflict of Interest – A Guide for Council Staff – October 2011*.

Nil

2. OBJECTIVE 1 - STRENGTHEN ECONOMIC GROWTH AND PROSPERITY

2.1. SOUTH GIPPSLAND SHIRE COUNCIL RESPONSE TO THE VICTORIAN LOCAL GOVERNMENT RATING SYSTEM REVIEW

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

In response to the Parliament of Victoria's Inquiry into the Sustainability and Operational Challenges of Victoria's Rural and Regional Councils the Government agreed to undertake an inquiry into the local government rating system to identify changes that will improve its fairness and equity.

South Gippsland Shire Council recognises that the current system places an unfair burden on the residents of larger, less populated rural and regional councils. In recognition of this inherent unfairness and in support of its residents, Council made a submission to the Victorian Local Government Rating System Review contained in **Attachment [2.1.1]**.

RECOMMENDATION

That Council note the submission made to the Victorian Local Government Rating System Review (Attachment [2.1.1]).

MOVED: Administrator Brown

SECONDED: Administrator Zahra

THAT COUNCIL NOTE THE SUBMISSION MADE TO THE VICTORIAN LOCAL GOVERNMENT RATING SYSTEM REVIEW (ATTACHMENT [2.1.1]).

CARRIED UNANIMOUSLY

[Link to next Agenda Item.](#)

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. SGSC Rating Review Submission - 1 November 2019 [2.1.1 - 25 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Revised Council Plan 2017 - 2021

Legislative Provisions

Local Government Act 1989

3. OBJECTIVE 2 - BUILD STRONG PARTNERSHIPS, STRENGTHEN ARTS & CULTURE AND DELIVER EQUITABLE OUTCOMES

3.1. COMMUNITY ENVIRONMENTAL SUSTAINABILITY PROJECTS - COMMUNITY GRANTS REPORT

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Council resolved at the Special Meeting of Council on 29 May 2019 to create a new Community Grant category for environmental sustainability projects.

As the current Community Grants program guidelines do not exclude projects that address environmental sustainability, it is recommended that no further action be taken at this time to create a new category.

A review of the Community Grants program and associated guidelines is scheduled to occur in June 2020. This is the appropriate time to consider any enhancements or changes to the Community Grants program.

RECOMMENDATION

That Council:

1. Makes no change to the existing Community Grants Program; and
2. Notes that a review of the Community Grants Program is scheduled for June 2020.

MOVED: Administrator Zahra

SECONDED: Administrator Brown

THAT COUNCIL:

1. **MAKES NO CHANGE TO THE EXISTING COMMUNITY GRANTS PROGRAM;
AND**
2. **NOTES THAT A REVIEW OF THE COMMUNITY GRANTS PROGRAM IS
SCHEDULED FOR JUNE 2020.**

CARRIED UNANIMOUSLY

[Link to next Agenda item.](#)

REPORT

Section 223 budget submissions were heard at the Special Meeting of Council on 29 May 2019. In response to a submission by the South Gippsland Energy Innovation Ltd, Council resolved to create a new Community Grant category to support Community Sustainability Projects.

As the current *Community Grants Program Guidelines* do not exclude projects that address environmental sustainability, it is recommended that no further action be taken at this time to create a new category.

A review of the Community Grants Program and associated guidelines is scheduled to occur in June 2020. This is the appropriate time to consider any enhancements or changes to the Community Grants program.

CONSULTATION

A major review of Council's Community Grants Program is scheduled for June 2020.

In addition to Council's Community Grants program, there are additional public and private grant programs that support environmental projects. Council assists interested groups to apply for funding through these external programs.

RESOURCES

The Community Grants Program is funded in the 2019/20 Annual Budget. The total budget for the 2019/20 Community Grants Program is \$307,000.

RISKS

Council's current allocation for community grants is oversubscribed with suitable projects every year. Increasing the scope of the grant program without additional funding may result in fewer applications in the current categories being supported.

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Community Grants Program Policy (C47)

4. OBJECTIVE 3 - IMPROVE SOUTH GIPPSLAND'S BUILT ASSETS AND VALUE OUR NATURAL ENVIRONMENT

4.1. COMMUNITY INFRASTRUCTURE LOAN SCHEME - RECOMMENDED APPLICATIONS - KORUMBURRA COMMUNITY HUB (\$5M) AND KORUMBURRA STREETScape DEVELOPMENT (\$5M)

Infrastructure Directorate

EXECUTIVE SUMMARY

Local Government Victoria's Community Infrastructure Loans program is designed to support councils to access low-interest-rate loans between \$500,000 and \$10M to deliver community infrastructure.

The program is based on the guidelines of the Sport and Recreation Victoria's Community Sports Infrastructure Loans Scheme (Loans Scheme), through which Council was successful in obtaining \$3.6M for the Mirboo North Pool redevelopment.

The loan terms will be based on Treasury Corporation of Victoria's borrowing at the time of the loan drawdown. The indicative rate as of 30 September 2019 is 1.495 per cent for a 10-year loan. The Loans Scheme also provides an additional interest subsidy of at least 50 per cent, resulting in an equivalent interest rate of 0.7475 per cent as at 30 September 2019.

It is proposed that Council submits applications for funding to the Loans Scheme for the Korumburra Community Hub Development project (\$5M) and the Korumburra Streetscape Project (\$5M) as both projects meet the program guidelines (refer to **Attachment [4.1.1]** for Program Guidelines).

The Finance department has modelled the future budget implications if Council is successful in the loan application and advise that Council's financial position will remain strong and will continue to adhere to Council's adopted financial strategies.

RECOMMENDATION

That Council:

1. Approves the lodgement of the following applications for a loan of \$10M under the Local Government Victoria's 2019 Community Infrastructure Loans Scheme by 29 November 2019:
 - a. Korumburra Community Hub Development Project (\$5M); and

- b. Korumburra Streetscape Project (\$5M).
2. Notes that if either or both of the loan applications are approved through Local Governments Victoria's Community Infrastructure Loans Scheme, a report to Council will be provided to endorse the terms and conditions of the loan and authorise the Chief Executive Officer to enter into the loan agreement; and
3. Notes that if successful, it will refer the project(s) and associated loan funding for consideration as part of its 2020/21 Annual Budget deliberations.

MOVED: Administrator Brown

SECONDED: Administrator Zahra

THAT COUNCIL:

1. **APPROVES THE LODGEMENT OF THE FOLLOWING APPLICATIONS FOR A LOAN OF \$10M UNDER THE LOCAL GOVERNMENT VICTORIA'S 2019 COMMUNITY INFRASTRUCTURE LOANS SCHEME BY 29 NOVEMBER 2019:**
 - a. **KORUMBURRA COMMUNITY HUB DEVELOPMENT PROJECT (\$5M); AND**
 - b. **KORUMBURRA STREETScape PROJECT (\$5M).**
2. **NOTES THAT IF EITHER OR BOTH OF THE LOAN APPLICATIONS ARE APPROVED THROUGH LOCAL GOVERNMENTS VICTORIA'S COMMUNITY INFRASTRUCTURE LOANS SCHEME, A REPORT TO COUNCIL WILL BE PROVIDED TO ENDORSE THE TERMS AND CONDITIONS OF THE LOAN AND AUTHORISE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO THE LOAN AGREEMENT; AND**
3. **NOTES THAT IF SUCCESSFUL, IT WILL REFER THE PROJECT(S) AND ASSOCIATED LOAN FUNDING FOR CONSIDERATION AS PART OF ITS 2020/21 ANNUAL BUDGET DELIBERATIONS.**

CARRIED UNANIMOUSLY

[Link to next Agenda Item.](#)

REPORT

Community Infrastructure Loans Scheme

The Community Infrastructure Loans Scheme (Loans Scheme) will support the delivery of community infrastructure by providing Victorian councils with access to low-interest, government-guaranteed loans through Treasury Corporation of Victoria of between \$500,000 and \$10M per project. Up to \$100M in loan funds will be made available.

Projects that could be supported by the Loans Scheme include;

- community centres and hubs;
- multi-purpose community facilities;
- arts and cultural facilities;
- public libraries;
- kindergartens and early learning facilities;
- restoration of heritage buildings to enable community use; and
- parks, play spaces, reserves and trails.

The terms of the loan are:

- Fixed or variable interest rate at the Treasury Corporation of Victoria's borrowing rate. As of 30 September, for a 10-year loan, the borrowing rate is 1.42 per cent and 1.68 per cent for 15 years.
- An additional interest subsidy of at least 50 per cent of the applicable interest rate, up to a maximum 1.5 per cent.
- Loan terms up to 15-years.
- Variable timing of repayments (monthly / quarterly / semi-annual).
- Loans Scheme applications close on 29 November 2019.

The benefit of this loan scheme is that it provides councils with access to loan funds at a rate which is well below the rate of inflation. If successful it will provide flexibility to the delivery of Council's capital works program over the 15 year long term financial plan. It ensures that today's community is not burdened with all the costs associated with providing infrastructure to support future community needs.

Further information is available in the Program Guidelines which is included in **Attachment [4.1.1]**.

Korumburra Community Hub Development Project

The Korumburra Community Hub is an adopted Priority Project of Council that will relocate and modernise Council's library service. The project will build community partnerships by co-locating a number of community groups and community services. The land vacated by this project is identified as forming part of a future site for a full-line supermarket.

The Korumburra Community Hub will be built at 4 Victoria Street with a concept design to be completed by December 2019. The project will then enter into the design and contract documentation phase with the tender for construction commencing mid-2020.

Korumburra Streetscape Project

This project will rejuvenate the main street of Korumburra which also serves as a highway and heavy vehicle route. The redevelopment provides for much needed traffic and pedestrian safety enhancements. It will improve the visual appeal and functionality of Commercial Street, Radovick Street, and Little Commercial Street. It will encourage and support economic development opportunities within the town centre.

Although a concept design was completed following extensive community consultation, the architects engaged to complete the design of the Korumburra Community Hub are detailing the improvements required in the Little Commercial Street precinct (refer to Figure 1) to accommodate the functionality of the hub. Completing detailed design is the next phase of the project and will be undertaken in early 2020.

Figure 1 – Little Commercial Street Improvements**CONSULTATION**

The Finance department has modelled the future budget implications if Council is successful in the loan application and advise that Council's financial position will remain strong and continues to adhere to Council's adopted financial strategies.

On 30 September 2019, Council staff attended the Loans Scheme Information Session.

An onsite meeting was held with representatives from Local Government Victoria to discuss the suitability of the projects for submission to the Loans Scheme.

The Administrators were briefed on 16 October 2019 about the Victorian Government's Loans Scheme.

RESOURCES

Staffing

The resources required to apply and manage a loan under the Community Infrastructure Loans Scheme can be accommodated within current staffing levels.

Long Term Budget Implications

A \$10M loan over ten years to fund the Korumburra Community Hub and Korumburra Streetscape projects would result in an interest expense of \$381,519 over the term of the loan, using the current interest rate of 1.495 per cent (subsidised to 0.7475 per cent) and making annual repayments.

Future cash balances will be negatively impacted over the term of the loan through the repayment of the \$10M loan in addition to interest payments. This creates a slight decrease in the "Underlying Working Capital" financial performance indicator, however, this still remains within Council's adopted financial strategies and the long-term strategic targets.

RISKS

Council's financial risks are managed through the adoption and adherence to its adopted financial strategies. Council's loans and borrowings as a percentage of rates is well below the similar Council average.

Council continues to actively seek external grant funding opportunities to support realisation of its adopted priority projects. However, there is currently limited grant funding opportunities available. If Council does not consider borrowing funds, it will need to rely on grants to assist in funding Council's priority projects or funds may be required to be diverted from other capital projects.

Should the applications to the Loan Scheme be unsuccessful, Council has the capacity to borrow funds through other traditional means (if required).

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. Community Infrastructure Loans Scheme Guidelines [4.1.1 - 16 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Council Plan 2017-2021

Economic Development and Tourism Strategy

Korumburra Town Centre Framework Plan (KTCFP)

Long Term Financial Plan

Priority Projects 2019/2020

4.2. AGNES FALLS CANTILEVERED LOOKOUT PROJECT

Infrastructure Directorate

EXECUTIVE SUMMARY

Agnes Falls is hidden within the rolling green hills of the Strzelecki Ranges. At 59 metres, Agnes Falls is the highest single span waterfall in Victoria. Managed by Parks Victoria, Agnes Falls is classified as a Scenic Reserve.

On the 27 September 2017, a Notice of Motion was passed by Council to allocate \$520,000 to the construction of a cantilevered lookout in the Parks Victoria managed Reserve. To date, Council has contributed \$59,306 (excluding GST) towards completing the detail design for the cantilevered lookout. Construction costs are estimated at a further \$450,000.

Prior to committing funds to commence construction of the cantilevered lookout, Council should consider whether it is appropriate to direct ratepayer funds to an asset which will be under the direct management of Parks Victoria. The Victorian Government has not committed any funding to this project.

Investment in infrastructure on Parks Victoria land is not typically undertaken by Local Government and sets a precedent that South Gippsland will be unable to replicate in other areas. By completing the project, there may be an expectation that Council replace the infrastructure at its end of life.

As a rural Shire, South Gippsland has a limited revenue base with access to finite resources. This is evidenced by the Victorian Government's rating review which will consider the impact of the rating system on the financial sustainability of rural councils and communities.

Council needs to prioritise its capital investments and the list of projects desired by the community will always exceed the finite resources at its disposal.

It is acknowledged that the project would make improvements to Agnes Falls Scenic Reserve, however given the asset belongs to Parks Victoria and the potential consequences anticipated as a result of the project, it is recommended the Council do not proceed to constructing the cantilever.

RECOMMENDATION

That Council:

1. Note its contribution of \$59,306 (excluding GST) for the design of the Agnes Falls Cantilevered Lookout which has been completed by Thompson Berrill Landscape Design Pty Ltd.
2. Not proceed to construction of the Agnes Falls Cantilevered Lookout due to the asset being located on Parks Victoria land.
3. Note that funding the construction of the cantilever may set an unmanageable expectation that Council would make improvements to other lands under Parks Victoria management.
4. Note that previous attempts to secure funding for the cantilever project from the Federal and State Government have been unsuccessful.
5. Removes the remaining funds from the 2019/20 Annual Budget for the Agnes Falls Cantilevered Lookout Project and reallocate to a project(s) in the 2020/21 Annual Budget.
6. Advise the Friends of Agnes Falls of the reasons for Council's decision.
7. Provides a copy of the final Cantilevered design to Parks Victoria and the Friends of Agnes Falls.
8. Support the Friends of Agnes Falls to seek alternate funding opportunities for the construction of the Cantilever.

MOVED: Administrator Zahra

SECONDED: Administrator Brown

THAT COUNCIL:

- 1. NOTE IT'S CONTRIBUTION OF \$59,306 (EXCLUDING GST) FOR THE DESIGN OF THE AGNES FALLS CANTILEVERED LOOKOUT WHICH HAS BEEN COMPLETED BY THOMPSON BERRILL LANDSCAPE DESIGN PTY LTD.**
- 2. NOT PROCEED TO CONSTRUCTION OF THE AGNES FALLS CANTILEVERED LOOKOUT DUE TO THE ASSET BEING LOCATED ON PARKS VICTORIA LAND.**
- 3. NOTE THAT FUNDING THE CONSTRUCTION OF THE CANTILEVER MAY SET AN UNMANAGEABLE EXPECTATION THAT COUNCIL WOULD MAKE IMPROVEMENTS TO OTHER LANDS UNDER PARKS VICTORIA MANAGEMENT.**
- 4. NOTE THAT PREVIOUS ATTEMPTS TO SECURE FUNDING FOR THE CANTILEVER PROJECT FROM THE FEDERAL AND STATE GOVERNMENT HAVE BEEN UNSUCCESSFUL.**
- 5. REMOVES THE REMAINING FUNDS FROM THE 2019/20 ANNUAL BUDGET FOR THE AGNES FALLS CANTILEVERED LOOKOUT PROJECT AND REALLOCATE TO A PROJECT(S) IN THE 2020/21 ANNUAL BUDGET.**
- 6. ADVISE THE FRIENDS OF AGNES FALLS OF THE REASONS FOR COUNCIL'S DECISION.**
- 7. PROVIDES A COPY OF THE FINAL CANTILEVERED DESIGN TO PARKS VICTORIA AND THE FRIENDS OF AGNES FALLS.**
- 8. SUPPORT THE FRIENDS OF AGNES FALLS TO SEEK ALTERNATE FUNDING OPPORTUNITIES FOR THE CONSTRUCTION OF THE CANTILEVER.**

CARRIED UNANIMOUSLY

[Link to next Agenda Item.](#)

REPORT

Background

Agnes Falls is hidden within the rolling green hills of the Strzelecki Ranges. The meandering Agnes River cascades over rocks into a deep picturesque gorge. At 59 metres, Agnes Falls is the highest single span waterfall in Victoria. Managed by Parks Victoria, Agnes Falls is classified as a Scenic Reserve.

A Master Plan for the redevelopment of the Agnes Falls Scenic Reserve was undertaken as part of Council's Corner Inlet Tourism Development Project. Proposed works included the construction of a new cantilevered lookout to maximise the view of Agnes Falls. Other projects completed under the Corner Inlet Tourism Development Project included the reconstruction of the Port Welshpool Long Jetty (\$11M), construction of the Great Southern Rail Trail (\$2.9M) and development of the Port Welshpool Marine Precinct Plan.

Council originally allocated \$350,000 towards the project and began seeking external funding to support the project. In 2015, a project proposal was submitted to Regional Development Victoria's Putting Locals First program, however, the project was not invited to proceed to the application stage. A further attempt was made in 2016 to the Federal Government's Tourism Demand Driver Infrastructure program, this application was also not supported for funding.

On the 27 September 2017, a Notice of Motion was passed by Council to allocate \$520,000 to the construction of a cantilevered lookout in the Parks Victoria managed Reserve.

Current Status

In February 2019, Council engaged Thompson Berrill Landscape Design Pty Ltd for design services for the development of the cantilevered lookout. The cost of these works was \$59,306 excluding GST. The design works are in the final stages of completion.

To complete the project, construction costs are estimated at a further \$450,000.

Agnes Falls Cantilever Lookout Project

Parks Victoria is the land manager for Agnes Falls Scenic Reserve and is responsible for the maintenance of the reserve. Parks Victoria has undertaken upgrade works to the reserve in recent years including new toilets, upgrades to pathways, improved signage within the reserve, and picnic facilities.

A new cantilever lookout would become an asset of Parks Victoria, who have committed to its maintenance. However, Council is unaware of any commitment to consider required upgrades to the reserve as a consequence of the development of a cantilevered lookout, e.g. car-parking.

Council recently adopted its 2019/20 Priority Projects and will need to plan for supporting infrastructure to meet the requirements of the Victorian Government's recently announced 3 year old kinder initiative.

As a rural Shire, South Gippsland has a limited revenue base with access to finite resources. This is evidenced by the Victorian Government's rating review which will consider the impact of the rating system on the financial sustainability of rural councils and communities.

Council needs to prioritise its capital investments and the list of projects desired by the community will always exceed the finite resources at its disposal.

It is acknowledged that the project would make improvements to Agnes Falls Scenic Reserve, however given the asset belongs to Parks Victoria and the potential consequences anticipated as a result of the project, it is recommended the Council do not proceed to constructing the cantilever.

Previous attempts to obtain external funding for the project have not been successful.

Considering the information provided, it is recommended that the design documentation for the cantilevered lookout be provided to Parks Victoria and the Friends of Agnes Falls for advancement of the project.

It is also recommended that Council support the Friends of Agnes Falls to seek alternate grant funding opportunities.

CONSULTATION

Council has advised Parks Victoria and the Friends of Agnes Falls of the recommended action.

RESOURCES

In 2017, \$520,000 was allocated to the development of the Agnes Falls Cantilevered Lookout project. Expenditure of approximately \$60,000 has already been spent on designs costs.

There is currently \$450,000 remaining in the current budget which could be reallocated to Council owned or managed land in the development of the 2020/21 Annual Budget.

RISKS

Investment in infrastructure on Parks Victoria land is not typically undertaken by Local Government and sets a precedent that South Gippsland will be unable to replicate in other areas. By completing the project, there may be an expectation that Council replace the infrastructure at its end of life.

Based on current market conditions, there is a risk that the current budget of \$450,000 for the construction of a cantilevered lookout would not be adequate.

A further risk exists that the development of the cantilevered lookout may put pressure on infrastructure within the reserve (such as car parking) which has not been budgeted for by Parks Victoria.

Council has not considered its legal liability should the infrastructure fail after construction.

STAFF DISCLOSURE

Nil

5. OBJECTIVE 4 - ENHANCE ORGANISATIONAL DEVELOPMENT AND IMPLEMENT GOVERNANCE BEST PRACTICE

5.1. LONG TERM FINANCIAL STRATEGIES

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Long Term Financial Strategies provide the framework or business rules that the annual and longer term business plans are built on.

Council first developed a series of financial strategies prior to the development of the 2003/04 budget. Long Term Financial Strategies provide strategic guidance in developing annual budgets and long term financial plans. Since 2002/03, Council's overall financial performance has systematically and progressively improved over most years despite having to, at times, face considerable financial challenges including dealing with:

- Significant operating losses and high debt in 2003;
- Global financial crisis in 2008;
- Unfunded superannuation funding calls made in 2003, 2010 and 2013;
- Commonwealth Government freezing the level of financial assistance grant provided to local government for three years to 2016/17; and
- State Government introducing rate capping in 2016/17, which sets out the maximum amount councils may increase rates in a year.

The financial strategies are reviewed on an annual basis and are listed in **Attachment [5.1.1]** - 2019/20 Long Term Financial Strategies. Two existing strategies have been removed and minor wording to three other strategies has been proposed to strengthen the strategies intent and reflect Council's current practice.

RECOMMENDATION

That Council adopts the Long Term Financial Strategies as documented in the 2019/20 Long Term Financial Strategies (Attachment [5.1.1]).

MOVED: Administrator Brown

SECONDED: Administrator Zahra

THAT COUNCIL ADOPTS THE LONG TERM FINANCIAL STRATEGIES AS DOCUMENTED IN THE 2019/20 LONG TERM FINANCIAL STRATEGIES (ATTACHMENT [5.1.1]).

CARRIED UNANIMOUSLY

[Link to next Agenda Item.](#)

REPORT

Background

South Gippsland Shire Council introduced a strategic planning and performance management framework in 2003. Since that date Council has maintained a series of financial strategies including financial performance measures and targets. This ensures that Council's immediate and long term financial viability is managed in a constructive and economically viable manner.

Council's Long Term Financial Strategies are reviewed and updated on an annual basis to ensure that its financial strategies continue to align with its financial objectives and current practice.

The strategies provide the strategic framework for developing the Long Term Financial Plan, the Council Plan (which includes the Strategic Resource Plan) and the Annual Budget. Implementation of these strategies has ensured that the Council is in a financially sound position.

Discussion

The Council Plan is a high level strategic planning document that includes objectives and strategies that cover the term of each Council.

The Long Term Financial Strategies complement and support both higher level 'strategic plans' such as the Council Plan, and 'operational plans' such as the Annual Budget. They ensure that Council's budgeted financial statements in the Long Term Financial Plan, are sustainable both in the short, medium and longer term.

The strategy review process for 2019/20 has recommended the following changes to the strategies adopted in November 2018 as follows:

1. Removal of strategy 4, *"Material favourable budget variations realised at the end of a financial year will be allocated to a general reserve (unless required to finance projects deemed as 'unavoidable') that can be used as funding source for future one off, unexpected or unavoidable costs."*
 - The reason for removing this strategy is to fall in line with recent current practice of allowing any favourable variations to flow through to the bottom line and be reflected in a strengthened balance sheet ratio instead of transferring to a reserve.

2. Removal of strategy 6, *“Annual transfers equivalent to the average interest earned on investments during the financial year are made to all reserves, Loan Reserve excepted”*.
 - The reason for removing this strategy is based on the insignificant interest earned on the minor reserve balances.
3. Removal of one of the Key Performance Indicators, *“Self-financing”* in Strategy 9.
 - The reason for removing this indicator is that is no longer used by the Victorian Auditor General’s Office or the Local Government Performance Reporting Framework and is not a measure relied upon by South Gippsland in analysing the financial integrity of the long term financial plan.
4. Rewording of strategy 3 to, *“Transfers to discretionary reserves should only be included in the Annual Budget if matched by an equivalent budgeted surplus in the Income Statement to preserve the accumulated surplus position of Council”*.
 - The reason for rewording this strategy is that previously the strategy referred to the, *“underlying budgeted surplus”*. The word *“underlying”* has been removed to correctly reflect that an equivalent, *“budgeted surplus”* is what is required before transfers to discretionary reserves should be considered to preserve the accumulated surplus position of Council, not the *“underlying budgeted surplus”*.
5. Rewording of strategy 12 from, *“Capital income must only be utilised as a funding source for capital or ‘one off’ expenditure requirements”* to *“Capital income from grants must only be utilised as a funding source for capital expenditure or maintenance of existing capital assets.”*
 - The reason for this change is to strengthen the intent of the strategy and recognise that in practice, Council does receive capital income from grants that is utilised in the maintenance of existing capital assets which is reflected as an operating expense.

RESOURCES

The development and implementation of the Long Term Financial Strategies is managed within existing budgets.

RISKS

The strategies will provide guidance to Council in preparing the 2020/21 Annual Budget and the Long Term Financial Plan.

Continuation of the strategic planning and management process will help achieve long term business viability. This will ensure that Council has sufficient financial resources for both service provision and for infrastructure asset management now and in future years.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. 2019/20 Long Term Financial Strategies [5.1.1 - 33 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget 2019/20

Annual Budget Incorporating 15 Year Long Term Financial Plan and Annual Plan Initiatives

5.2. POLICY REVIEW: COUNCILLOR SUPPORT EXPENDITURE REPORT (C51)

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

A review, including minor amendments, to the *Councillor Support and Expenditure Policy C51* (Policy C51) has been undertaken to ensure Policy C51 is appropriate for Administrators and consistent with industry practice.

Policy C51 has been revised and is contained in **Attachment [5.2.1]** for Council's consideration. This version replaces the former version adopted 27 March 2019.

Administrator expenses will be reported in Council's Annual Report. The Annual report is submitted to the Minister for Local Government by 30 September each year.

RECOMMENDATION

That Council adopts 'Councillor Support and Expenditure Policy C51' contained in Attachment [5.2.1] which supersedes all previous resolutions related to the Councillor Support and Expenditure Policy (C51).

MOVED: Administrator Brown

SECONDED: Administrator Zahra

THAT COUNCIL ADOPTS 'COUNCILLOR SUPPORT AND EXPENDITURE POLICY C51' CONTAINED IN ATTACHMENT [5.2.1] WHICH SUPERSEDES ALL PREVIOUS RESOLUTIONS RELATED TO THE COUNCILLOR SUPPORT AND EXPENDITURE POLICY (C51).

CARRIED UNANIMOUSLY

[Link to next Agenda Item.](#)

REPORT

A review, including minor amendments, to the *Councillor Support and Expenditure Policy C51* (Policy C51) has been undertaken to ensure Policy C51 is appropriate for Administrators and consistent with industry practice.

The Policy C51 has been revised and is contained in **Attachment [5.2.1]** for Council's consideration. This version replaces the former version adopted 27 March 2019.

Minor amendments to the Policy have been made which include reporting of Councillor/Administrator expenses in Council's Annual Report. The Annual report is submitted to the Minister for Local Government each year.

The minor amendments made relate to the allowances required to be paid, a change to annual reporting requirements, refinements to resource provision and inclusion of the annual reporting of the 'Cost of Elected Representatives' indicator, as set out in regulations for the Local Government Performance Reporting Framework (LGPRF).

The LGPRF indicator is published on the State Government 'Know Your Council' website for comparative and transparency purposes. Annual reporting will also capture the one accurate point in time where all Administrator/Councillor expenditure and claims for reimbursements are known.

Utilising the LGPRF indicators and the Annual Report will ensure that accurate data is used and is provided in a comparative form to measure the Council's performance in regard to the cost of governance against other councils.

CONSULTATION

The Administrators and relevant internal Officers have been involved in the review of Policy C51.

RESOURCES

Council's annual budgets make allowances for the cost of Councillors/Administrators.

RISKS

Policy C51 seeks to minimise the misuse of Council resources (fraud) and reputational risk by setting the levels of reasonable usage of various resources by Councillors in the performance of their civic duties.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. C51 Councillor Support and Expenditure Policy - Draft November 2019 [5.2.1 - 14 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Councillor Support and Expenditure Policy (C51)

Legislative Provisions

Local Government (Planning and Reporting) Regulations 2015

Local Government Act 1989

6. OTHER COUNCIL REPORTS

6.1. NIL

7. NOTICES OF MOTION AND/OR RESCISSION

7.1. NIL

8. PROCEDURAL REPORTS

8.1. ORGANISATIONAL PERFORMANCE REPORT - JULY 2019 TO SEPTEMBER 2019

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

The Organisational Performance Report for the period July 2019 to September 2019 (refer to **Attachment [8.1.1]**) provides detailed reporting on Council's performance against the 2019/20 Annual Initiatives, Performance Indicators, Capital Works Program and Department Highlights.

The covering report outlines the key achievements, updates and events that occurred during this reporting period and highlights the progress against the Council Plan 2017-2021 and Annual Initiatives.

Council's 2017-2021 Council Plan is reviewed annually and includes key Strategic Outcomes, Objectives and Initiatives. A series of indicators are allocated to the four Outcomes of the Council Plan and progress against these indicators and service performance measures are outlined within the report.

The alignment of the Council Plan, Organisational Performance Report and Council Agenda topics in Ordinary Meetings of Council all outline the various activities and initiatives that work towards achieving the Council Plan Strategic Outcomes and Strategies.

This Organisational Performance Report (**Attachment [8.1.1]**) will be presented to Council's Audit Committee on 10 December 2019.

RECOMMENDATION

That Council:

Receives and notes the Organisational Performance Report for the period July 2019 to September 2019 (Attachment [8.1.1]);

Publishes the Organisational Performance Report (Attachment [8.1.1]) to Council's website and distributes it to local libraries; and

Presents the Organisational Performance Report (Attachment [8.1.1]) to Council's Audit Committee in December 2019.

MOVED: Administrator Zahra

SECONDED: Administrator Brown

THAT COUNCIL:

- 1. RECEIVES AND NOTES THE ORGANISATIONAL PERFORMANCE REPORT FOR THE PERIOD JULY 2019 TO SEPTEMBER 2019 (ATTACHMENT [8.1.1]);**
- 2. PUBLISHES THE ORGANISATIONAL PERFORMANCE REPORT (ATTACHMENT [8.1.1]) TO COUNCIL'S WEBSITE AND DISTRIBUTES IT TO LOCAL LIBRARIES; AND**
- 3. PRESENTS THE ORGANISATIONAL PERFORMANCE REPORT (ATTACHMENT [8.1.1]) TO COUNCIL'S AUDIT COMMITTEE IN DECEMBER 2019.**

CARRIED UNANIMOUSLY

[Link to next Agenda Item.](#)

REPORT

Background

The 2019/20 Annual Budget (inclusive of the Annual Initiatives) was adopted by Council on 24 July 2019. It sets the indicators and initiatives/activities which are reported in the Organisational Performance Report – July 2019 to September 2019 (**Attachment [8.1.1]**).

The 2017-2021 Council Plan adopted in July 2019 and reviewed annually, includes key Strategic Outcomes, Objectives and Strategies. A series of indicators are allocated to the four Outcomes and progress against these indicators is included in the Annual Plan 2019/20 Performance Update. These indicators have been reviewed annually and are also reflected in the 2019/20 Annual Budget.

Discussion

This report provides an overview of the major activities undertaken by Council in the first quarter of the 2019/20 financial year (1 July 2019 to 30 September 2019). Where possible, comparisons of results have been made and reflected throughout the report.

Significant highlights during the period include:

- 100 per cent of the 27 Annual Plan initiatives for 2019/20 are on track or have been completed by September 2019.
- 20 per cent of the 153 Capital Works Program initiatives for 2019/20 have been completed or are on track as at September 2019.

CONSULTATION

Each Directorate has contributed to the report. The Organisational Performance Report (**Attachment [8.1.1]**) will be presented to Council's Audit Committee in December 2019.

RESOURCES

The 2019/20 Annual Initiatives and Capital Works Program are funded through the 2019/20 Annual Budget.

RISKS

The Organisational Performance Report (**Attachment [8.1.1]**) mitigates the risk of annual initiatives and capital works activities not being managed, as every Department is required to monitor and report on the progress of their respective responsibilities on a regular basis.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. Organisational Performance Report - July 2019 to September 2019 [8.1.1 - 44 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget Incorporating 15 Year Long Term Financial Plan and Annual Plan Initiatives

Council Plan 2017-2021

Legislative Provisions

Local Government Act 1989, ss.125, 127 and 223

Local Government Act 1989, Environmental Upgrade Agreement, s.138

Local Government Better Practice Guide 2016/17 – Performance Reporting Framework Indicator Workbook, Version 1, April 2017

8.2. ASSEMBLY OF COUNCILLORS - 22 SEPTEMBER TO 21 OCTOBER 2019

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Council is committed to making relevant, timely and useful information available for members of the public with the aim of enhancing transparency. The matters listed in this report were presented or considered at either an Advisory Committee Meeting, Councillor Strategic Briefing Session or Public Presentation Session between 22 September and 21 October 2019.

The matters summarised in this report satisfy Council's requirements under the *Local Government Act 1989*, s.80A(2):

The Chief Executive Officer must ensure that the written record of an assembly of Councillors is, as soon as practicable –

- a. reported at an ordinary meeting of the Council; and*
- b. incorporated in the minutes of that Council meeting.*

RECOMMENDATION

That Council receives and notes this report.

MOVED: Administrator Zahra

SECONDED: Administrator Brown

THAT COUNCIL RECEIVES AND NOTES THIS REPORT.

CARRIED UNANIMOUSLY

[Link to next Agenda Item.](#)

REPORT

Meeting Title	Details
Wednesday 25 September 2019	
Policy Review: Public Presentation Policy (C65)	Administrators Attending: Rick Brown, Christian Zahra Conflict of Interest: Nil disclosed Matters Considered: The Administrators considered a review of the Public Participation Policy and development of other supportive policies.
Public Presentations Open Session	Administrators Attending: Rick Brown, Christian Zahra Conflict of Interest: Nil disclosed
Presentations were made to Council by the following community members: Janine Bullock, representing Equestrian & Exhibition Working Group regarding Agenda Item 4.1. SOUTH GIPPSLAND EQUESTRIAN AND EXHIBITION CENTRE IN SOUTH GIPPSLAND. David Amor regarding Agenda Items 2.2. KORUMBURRA RAILWAY STATION SITE MASTER PLAN / COMMUNITY HUB LOCATION, 4.1. SOUTH GIPPSLAND EQUESTRIAN AND EXHIBITION CENTRE IN SOUTH GIPPSLAND and 4.2. 2019/20 PRIORITY PROJECTS.	
Ordinary Agenda Topic Discussion: Korumburra Railway Station Site Master Plan/ Community Hub Location	Administrators Attending: Rick Brown, Christian Zahra Conflict of Interest: Nil disclosed Matters Considered: The Administrators considered Agenda Item 2.2. KORUMBURRA RAILWAY STATION SITE MASTER PLAN / COMMUNITY HUB LOCATION.

Meeting Title	Details
Wednesday 2 October 2019	
Old Waratah Road, Fish Creek Footpath – outcome of resident survey	<p>Administrators Attending: Christian Zahra, Rick Brown</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered the outcomes of survey regarding Old Waratah Road, Fish Creek.</p>
Award Contracts – Mirboo North Pool Redevelopment	<p>Administrators Attending: Christian Zahra, Rick Brown</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered the current status of the tender process for the Design and Construction of the Mirboo North Pool.</p>
Regional Development Victoria (RDV)	<p>Administrators Attending: Christian Zahra, Rick Brown</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered an external presentation from Regional Development Victoria (RDV) including its function in the Shire and how it interacts with local businesses with the aim to develop investment.</p>
Planning Briefing	<p>Administrators Attending: Christian Zahra, Rick Brown</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered Planning Items including:</p> <ul style="list-style-type: none"> • Strategic Planning Project List • Planning Applications of Interest • Decisions for August 2019 • VCAT Decisions • Applications received August 2019

Meeting Title	Details
Wednesday 2 October 2019	
Rural Land Use Strategy (2011)	<p>Administrators Attending: Christian Zahra, Rick Brown</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were informed of the Rural Land Use Strategy and its function in planning.</p>
Wednesday 9 October 2019	
Annual Budget – End of Year Financials 2018/19 & Long Term Financial Strategies	<p>Administrators Attending: Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered the End of Year Financials 2018/19 and Long Term Financial Plan.</p>
Strategy Review: Open Space Strategy (2007)	<p>Administrators Attending: Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered the review of the Open Space Strategy.</p>
Executive Update	<p>Administrators Attending: Christian Zahra, Rick Brown</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Planning for a potential site for a future Sandy Point caravan park

Meeting Title	Details
Wednesday 16 October 2019	
Community Infrastructure Loan Scheme	<p>Administrators Attending: Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered Local Government Victoria's Community Infrastructure Loans Scheme that supports councils to access low-interest rate loans between \$500,000 and \$10M to deliver community infrastructure. The Administrators considered two applications to this scheme.</p>
Community Grants Program – Proposed Environmental Sustainability Category	<p>Administrators Attending: Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered a proposed new grant category, 'Environmental Sustainability Projects' as part of the Community Grants Program.</p>
2018/19 Community Grants Round 1 Assessment	<p>Administrators Attending: Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered 2018/19 Community Grants Round 1 Assessment.</p>
Executive Update	<p>Administrators Attending: Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered an update on the Korumburra Skate Park and Mirboo North Pool Redevelopment.</p>

Meeting Title	Details
Wednesday 16 October 2019	
Community Strengthening Activities: <i>Council support for Community Events and Festivals</i> Open Session	Administrators Attending: Rick Brown, Christian Zahra Conflict of Interest: Nil disclosed Matters Considered: The Administrators considered an external presentation from representatives of the Venus Bay/ Tarwin Lower Auto Festival, on how the group have liaised with Council to get their new event off the ground. The Administrators were also informed about the numerous events across the Shire and how they are supported by Council.
Public Presentations Open Session	Administrators Attending: Rick Brown, Christian Zahra Conflict of Interest: Nil disclosed
Presentations were made to Council by the following community members: Rachel Brown, representing Toora Caravan Park regarding the Franklin River Reserve. Clive Hope, regarding Ordinary Meeting 25 September 2019, Agenda Item 4.1. SOUTH GIPPSLAND EQUESTRIAN AND EXHIBITION CENTRE IN SOUTH GIPPSLAND. David Amor, regarding Roads and Planning Application Administration. Nigel Hutchinson-Brooks, regarding a Sovereign Fund for South Gippsland funding idea to generate income for capital expenditure.	

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Public Participation in Meetings with Council Policy (C65)

Legislative Provisions

Local Government Act 1989

Local Government (South Gippsland Shire Council) Act 2019

8.3. DOCUMENTS SEALED, AWARDED OR EXTENDED BY CEO - 21 SEPTEMBER TO 18 OCTOBER 2019

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

This document reports to Council the following actions undertaken by the Acting Chief Executive Officer (CEO) which occurred during the period from 21 September to 18 October 2019, as required by the Council's Instrument of Delegation to the Chief Executive Officer and Procurement Policy:

- Documents sealed;
- Contracts awarded after a public tender process within the CEO's delegation; and
- Contracts varied or extended by the CEO which exceeded the CEO's delegation.

RECOMMENDATION

That Council receives and notes this report.

MOVED: Administrator Eisenbise

SECONDED: Administrator Brown

THAT COUNCIL RECEIVES AND NOTES THIS REPORT.

CARRIED UNANIMOUSLY

[Link to next Agenda Item.](#)

REPORT

Documents Sealed

Under the *Local Government Act 1989* (the Act), each Council is a body corporate and a legal entity in its own right. Each Council must have a common seal that is an official sanction of that Council.

Sealing a document makes it an official document of Council as a corporate body. Documents that require sealing may include agreements, contracts, leases or any other contractual or legally binding document that binds Council to another party.

Local Law No. 3 2010, Part 9, clause 107(f)(iv) – the Common Seal of Council, states that ‘If the Chief Executive uses the Common Seal in a manner prescribed by sub-clause (c) then he/she must advise Council of such use on a regular basis.’ Council’s Instrument of Delegation to the CEO also delegates to the CEO the power to ‘use the Common Seal of Council subject to that use being reported to Council’.

In accordance with the Local Law and Instrument of Delegation, the following are presented to Council as documents sealed during the period from 21 September to 18 October 2019:

1. Section 173 Agreement between South Gippsland Shire Council and the owner of 641 Lees Road, Venus Bay in relation to the development of land with single dwelling. Seal applied 10 October 2019.
2. Section 173 Agreement between South Gippsland Shire Council and the owner of 13 Centre Road, Venus Bay in relation to the development of land with single dwelling. Seal applied 10 October 2019.
3. Instrument of Appointment and Authorisation to two Officers appointed under s.147(4) of the Planning and Environment Act 1987 – Seal applied 29 May 2019.
4. CON/220-J Annual Supply/Delivery - Quarry Products & Road Making Materials.
5. Contracts sealed following the 25 September Council Meeting.
 - a. CON/223 - Provision of design services for the Mirboo North and Korumburra Skate Parks.
 - b. CON/233 – Design and Construction of the Toora Swimming Pool Splash Park.

- c. CON/232 – Construction of Footpath Renewals and Footpath Extensions.

Contracts Awarded, Varied or Extended

1. Contracts awarded after a public tender process within the CEO's delegation between 21 September to 18 October 2019:

Nil

2. Contracts awarded after a public tender process under the Statutory threshold by staff other than the CEO between 21 September to 18 October 2019:

Nil

3. Contract variations approved by the CEO between 21 September to 18 October 2019:

- a. Awarding of variation No. 4 to Contract /195 to the amount of \$24,626.29 (excluding GST) on 25 September 2019 following consultation with the Administrator, bringing the total contract amount to \$770,987.97 (excluding GST) noting that variations No. 1, No. 2 and No. 3 totalling \$9,226.59 had previously been approved by the CEO in accordance with the Procurement Policy.

4. Contract extensions approved by the CEO between 21 September to 18 October 2019:

Nil

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Instrument of Delegation to the Chief Executive Officer, 22 February 2017

Local Law No. 3 2010, Processes of Municipal Government (Meeting Procedures and Common Seal)

Procurement Policy (C32)

Legislative Provisions

Local Government Act 1989, ss.5 and 186

9. ADMINISTRATOR REPORTS

9.1. REQUESTS FOR LEAVE OF ABSENCE

9.2. ADMINISTRATORS UPDATES

Administrator Chair, Julie Eisenbise addressed Council by providing a brief summary of meetings attended at:

- **Leongatha Rotary Club Partners Meeting**
- **Korumburra Senior Citizens**
- **Community Forum Eastern District Cluster Meeting in Toora**

9.3. COMMITTEE UPDATES

10. URGENT OR OTHER BUSINESS

There are two basic parts to this section of the Agenda:

Urgent Business

Normally no motion should be debated by Administrators unless the matter is already included as an item on the Agenda. However, in some circumstances it is possible to raise urgent motions.

The Meeting Procedure Local Law No. 3 (Clause 46) allows for where a situation has not been provided for under the Local Law, the Council may determine the matter by resolution. Established practice has provided for urgent motions to be raised at Council provided the matter cannot be dealt with at the next Ordinary Meeting of Council or by Officers under delegation.

It is necessary for the Administrator wishing to raise a matter of urgent business to raise a motion similar to the following:

'That consideration of (the issue) be dealt with as a matter of urgent business and Administrator...be allowed a 'short period' to indicate the reason(s) why the matter should be considered as a matter of urgent business.' If the Chairperson accepts the motion as meeting the urgent business criteria, normal meeting procedures in Local Law No. 3 will apply.

If the motion to accept the item as a matter of urgent business is passed by Council, the motion relating to the specific issue can then be put and debated in the normal way.

Other Business

This provides an opportunity for Administrators to raise items of general interest to the Council and the community. It may relate to an up and coming event or the outcomes of a recent meeting with a Minister etc.

MOVED: Administrator Brown

SECONDED: Administrator Zahra

THAT COUNCIL:

- 1. CONSIDER ITEM 10.1 AWARD CONTRACT CON/235 – LEONGATHA DISTRICT NETBALL ASSOCIATION (LDNA) NETBALL COURTS REDEVELOPMENT AS URGENT IN ORDER TO PROGRESS CONSTRUCTION WORKS IN THE EARLIEST TIMEFRAME TO ENSURE THE PROJECT IS COMPLETED PRIOR TO THE OPENING OF THE 2020 NETBALL SEASON; AND**

- 2. CONSIDER ITEM 10.2 AWARD CONTRACT CON/231 - MIRBOO NORTH POOL REDEVELOPMENT AS URGENT IN ORDER TO COMMENCE CONSTRUCTION WORKS IN THE EARLIEST TIMEFRAME TO ENSURE THE PROJECT IS COMPLETED PRIOR TO THE OPENING OF THE 2020 SUMMER POOL SEASON.**

CARRIED UNANIMOUSLY

10.1 AWARD CONTRACT CON/235 – LEONGATHA DISTRICT NETBALL ASSOCIATION (LDNA) NETBALL COURTS REDEVELOPMENT

EXECUTIVE SUMMARY

The Leongatha & District Netball Association (LDNA) netball courts are located within the Leongatha Recreation Reserve, off Wild Dog Valley Road in Leongatha.

The existing eight netball courts no longer meet Netball Victoria's requirements for outdoor facilities. This project will extend the existing playing surface and realign the courts resulting in seven compliant playing surfaces. The redevelopment provides a new asphalt wearing course over the court which achieves a compliant, free-draining surface.

The LDNA and the Leongatha community have championed this project and have actively fundraised \$150,000 to support the project. Council secured \$500,000 from the Victorian Government in grant funding under the 2018/19 Female Friendly Facilities Fund.

The project is included in Council's 2019/20 Capital Works Program and has a total budget of \$774,494.

In response to Council's Request for Tender RFT/235 – Leongatha & District Netball Association Courts Redevelopment (RFT/235), three tender submissions were received. One submission was within the current available budget of \$774,494 while the remaining two submissions exceed Council's available budget.

The tenders were assessed against the criteria specified in the tender documentation by an evaluation panel. The preferred tenderer scored highest overall in relation to the set scoring criteria. Therefore, it is recommended that Council approves the award of Contract CON/235 - Leongatha & District Netball Association Courts Redevelopment (CON/235) to Hugh Patrick Pty Ltd (trading as BJ's Earthmoving) for the lump sum of \$655,410.00 as detailed in **Confidential Attachment [15.1.1]**

RECOMMENDATION

That Council:

1. Note the project delivers:
 - a. Compliant outdoor netball courts with new asphalt wearing course over the court.
 - b. New sports floodlighting

- c. Accessible facilities which enhance and encourage greater female participation.
2. Acknowledges the Leongatha & District Netball Association for their contribution of \$150,000.
3. Acknowledges the funding of \$500,000 from the Victorian State Government under the 2018/19 Female Friendly Facilities Fund.
4. Approves the award of contract CON/235 Leongatha & District Netball Association Courts Redevelopment to Hugh Patrick Pty Ltd (trading as BJ's Earthmoving) for the lump sum of \$655,150.00 (ex GST);
5. Authorises the Chief Executive Officer to sign and affix the Common Seal of the Municipality to the contract documents.
6. Delegates to the Manager Infrastructure Delivery (Contract Superintendent), the power to approve variations up to a contingency allowance of 10 per cent of the lump sum amount.

MOVED: Administrator Brown

SECONDED: Administrator Zahra

THAT COUNCIL:

1. **NOTE THE PROJECT DELIVERS:**
 - a. **COMPLIANT OUTDOOR NETBALL COURTS WITH NEW ASPHALT WEARING COURSE OVER THE COURT.**
 - b. **NEW SPORTS FLOODLIGHTING**
 - c. **ACCESSIBLE FACILITIES WHICH ENHANCE AND ENCOURAGE GREATER FEMALE PARTICIPATION.**
2. **ACKNOWLEDGES THE LEONGATHA & DISTRICT NETBALL ASSOCIATION FOR THEIR CONTRIBUTION OF \$150,000.**
3. **ACKNOWLEDGES THE FUNDING OF \$500,000 FROM THE VICTORIAN STATE GOVERNMENT UNDER THE 2018/19 FEMALE FRIENDLY FACILITIES FUND.**
4. **APPROVES THE AWARD OF CONTRACT CON/235 LEONGATHA & DISTRICT NETBALL ASSOCIATION COURTS REDEVELOPMENT TO HUGH PATRICK PTY LTD (TRADING AS BJ'S EARTHMOVING) FOR THE LUMP SUM OF \$655,150.00 (EX GST);**
5. **AUTHORISES THE CHIEF EXECUTIVE OFFICER TO SIGN AND AFFIX THE COMMON SEAL OF THE MUNICIPALITY TO THE CONTRACT DOCUMENTS.**
6. **DELEGATES TO THE MANAGER INFRASTRUCTURE DELIVERY (CONTRACT SUPERINTENDENT), THE POWER TO APPROVE VARIATIONS UP TO A CONTINGENCY ALLOWANCE OF 10 PER CENT OF THE LUMP SUM AMOUNT.**

CARRIED UNANIMOUSLY

REPORT

The Leongatha & District Netball Association (LDNA) netball courts are located within the Leongatha Recreation Reserve, off Wild Dog Valley Road in Leongatha. The reserve is managed by the Leongatha Recreation Reserve Committee of Management, appointed by the Department of Environment Land Water and Planning, and is the municipal level recreation reserve in the Shire.

At the 27 June 2018 Ordinary Council Meeting, Council resolved to submit a grant application to Sport and Recreation Victoria (SRV) under the 2018/19 Female Friendly Facilities Fund for \$500,000. As part of this resolution, Council contributed \$150,000 towards this project subject to the funding application to SRV being successful. On 22 October 2018, Council received notification that the \$500,000 grant application was successful. Subsequently, the project was included in Council's 2019/20 Capital Works Program.

Scope of Works

The scope is to construct compliant netball courts and ancillary works in accordance with the design drawings. The works generally include:

- Removal and disposal of the existing floodlighting poles & luminaires, and removal and disposal of the existing court fencing.
- Extension of the existing court surfaces to a new retaining wall to be constructed on the north boundary.
- Construction of new underground and above-ground drainage from the courts.
- The provision of a new asphalt wearing course over the court area to achieve a compliant, free-draining surface.
- Construction of new sports floodlighting suitable for netball competition use including the re-laying of cabling and conduits between the new poles and new separate lighting control switchboard.

The evaluation panel considered the tenders and was satisfied with recommending the award of CON/235 based on the assessment of the submissions. The evaluation panel considers that the submission provided by BJ's Earthmoving represents value for money in the current contracting environment.

CONSULTATION

Tender specifications were developed in consultation with all relevant officers involved in the planning of this project.

Council staff consulted with the LDNA Committee in the development of this project.

RFT/235 was advertised in The Age (19 October 2019), Latrobe Valley Express (22 October 2019) and in Council's Noticeboard section of the local papers (22 October 2019). Tenders closed on 12 November 2019.

In response to Council's Request for Tender for RFT/235, three tender submissions were received, with one being within Council's budget of \$774,494 and the other two submissions exceeding Council's budget.

The submitted tenders were assessed in accordance with the criteria specified in the tender documentation by an evaluation panel on 14 November 2019. The evaluation panel consisted of the Manager Infrastructure Delivery, Engineering Co-ordinator, Senior Design Engineer, and the Senior Procurement Officer. From that assessment, a preferred tenderer was chosen, being BJ's Earthmoving.

The evaluation panel decided to seek clarification on several items in BJ's Earthmoving's submission, mainly relating to sub-contractors and project timelines. The responses to those questions satisfied the panel that BJ's Earthmoving will be able to successfully complete the works as specified.

A summary of the tender evaluation is included in **Confidential Attachment [15.1.1]**.

RESOURCES

The total budget currently available to deliver the project is \$774,494 which is included in Council's 2019/20 Capital Works Program. Funding is broken down in the table below.

Table 1 – Funding Breakdown

Total Project Budget	\$774,494
SRV Grant – 2018/19 Female Friendly Facilities Fund	< \$500,000
Council Contribution	< \$150,000
LDNA Contribution	< \$150,000

The original total project budget was \$800,000 with \$25,506 spent during the 2018/19 financial year on full design and site investigation, leaving \$774,494 available to construct the netball courts, including project management costs.

A contingency amount of 10 per cent has been allowed for over and above the lump sum contract amount. This contingency amount is for unforeseen expenditure items relating to this contract at the Contract Superintendent's discretion.

RISKS

Delay in award of the contract may adversely impact the start of the 2020 Netball Season.

Under the SRV's funding agreement, the project must be delivered in full as outlined in the agreement, otherwise the funding of up to \$500,000 may be revoked.

STAFF DISCLOSURE

Nil

CONFIDENTIAL ATTACHMENTS

Confidential Attachment [15.1.1] – Tender Evaluation Summary RFT/235 – has been provided in accordance with s.77(2)(c) of the Local Government Act 1989. The Chief Executive Officer designates this item as confidential information on the grounds that it relates to s.89(2)(d) contractual matters. This item is deemed confidential to protect the privacy of the contractors, tender scores, and tendered amounts submitted for consideration.

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget 2019/20

Community Project Management Policy (C09)

Procurement Policy (C32)

Legislative Provisions

Local Government Act 1989

10.2 AWARD CONTRACT CON/231 - MIRBOO NORTH POOL REDEVELOPMENT

Infrastructure Directorate

EXECUTIVE SUMMARY

The Mirboo North pool is renowned for its scenic setting and has served the local community since 1904. It has reached the end of its useful life and the redevelopment of the pool is a priority project of Council.

The Mirboo North pool is a passionately valued community asset. The Friends of the Mirboo North Pool with the help of the Mirboo North community have raised \$1 million to support the redevelopment of the pool. Council secured grant funding of \$600,000 from the Federal Government for the redevelopment of the pool under the Community Development Grants Program.

The redevelopment of the Mirboo North pool is one of the largest capital works projects ever funded by Council. The project is included in Council's 2019/20 Capital Works Program and has a combined budget of \$5,453,841.

The project delivers;

- Design and construction of a new 25m long eight lane wide swimming pool, Learn-To-Swim (LTS) pool, inclusive of access ramps and surrounding concourses;
- Design and construction of a new children's splash park;
- A venue to hold local and regional swimming events.
- A dry program space providing for new activities and extending the use of the site beyond the pool season (activities such Yoga, Tai Chi, martial arts, meeting space).
- An all accessible facility for all abilities including access from the car park to pool level.
- Heating of the pool with a new heat pump to allow for an extended Summer pool season.
- Entertainment facilities for young children allowing families to extend their stay.

In accordance with Council's Procurement Policy and procedures, Council was required to follow an open tender process for the construction of the Mirboo North pool redevelopment.

There were two separate tender processes required to progress the project:

- RFT/230 Mirboo North Pool Pavilion Redevelopment; and
- RFT/231 Mirboo North Pool Design and Construct Aquatic Infrastructure

The tenders were assessed against the criteria specified in the contract documentation by an evaluation panel (refer **Confidential Attachment [15.2.1]**). The recommended tenderer for the two projects is the same tenderer, and as such, it is proposed to combine both projects into one single contract, under CON/231 – Mirboo North Pool Redevelopment.

The tenders were assessed against the criteria specified in the tender documentation by an evaluation panel. The preferred tenderer scored highest overall in relation to the set scoring criteria. Therefore, it is recommended that Council approves the award of Contract CON/231 – Mirboo North Pool Redevelopment to Langden Constructions Pty Ltd for the lump sum of \$5,617,570 as detailed in **Confidential Attachment [15.2.1]**.

RECOMMENDATION

That Council:

1. Notes the Redevelopment of the Mirboo North Pool project delivers:
 - a. Design and construction of a new 25m long eight lane wide swimming pool, Learn-To-Swim (LTS) pool, inclusive of access ramps and surrounding concourses;
 - b. Design and construction of a new children's splash park;
 - c. Heating of the pool with a new heat pump to allow for an extended Summer pool season.
 - d. A venue to hold local and regional swimming events.
 - e. A dry program space within the building facility which extends the use of the site beyond the existing pool season for activities such Yoga, Tai Chi, martial arts and community meeting space.
 - f. An all accessible facility for all abilities including access from the car park to pool level.
 - g. Entertainment facilities for young children allowing families to extend their visit.
2. Acknowledges the Friends of Mirboo North Pool for their dedication and project advocacy.

3. Acknowledges the Mirboo North community for their contribution of \$1 million towards the project.
4. Acknowledges the Federal Government's contribution of \$600,000 from the Community Development Grants Program.
5. Determines the service levels of the increased opening hours as part of the Aquatic Strategy review commencing in 2020 in consultation with the Friends of the Mirboo North Pool.
6. Note that this tender RFT/231 is being awarded to the same successful tenderer of the related contract for Mirboo North Pool Pavilion Construction which was published as RFT /230. There are economies of scale to be made for the tenderer and Council in merging these two contracts into one singular contract which will be designated CON/231.
7. In conjunction with the panel recommendation for RFT/230, approves the award of contract CON/231 Mirboo North Pool Re-Development to Langden Constructions Pty Ltd for the lump sum amount of \$5,617,570.
8. Increases the budget for the Project by \$278,729, to a total of \$5,732,570.
9. Delegates to the Manager Infrastructure Delivery (Contract Superintendent), the power to approve variations up to a contingency allowance of 5 per cent of the Pavilion Building portion of works only contract lump sum (\$87,500) plus outside of contract Provisional Sums for Building Permit (\$20,000) and Electrical Authority Costs (\$7,500), capped at a total of \$115,000, within the budget of \$5,732,570.
10. Publishes on Council's website the successful contractor and lump sum amount within one week of Council's decision to approve the award of contract CON/231 to allow sufficient time for the formal award of the contract.
11. Authorises the Chief Executive Officer to sign and affix the Common Seal of the Municipality to the contract documents.

MOVED: Administrator Zahra

SECONDED: Administrator Brown

THAT COUNCIL:

1. **NOTES THE REDEVELOPMENT OF THE MIRBOO NORTH POOL PROJECT DELIVERS:**
 - a. **DESIGN AND CONSTRUCTION OF A NEW 25M LONG EIGHT LANE WIDE SWIMMING POOL, LEARN-TO-SWIM (LTS) POOL, INCLUSIVE OF ACCESS RAMPS AND SURROUNDING CONCOURSES;**
 - b. **DESIGN AND CONSTRUCTION OF A NEW CHILDREN'S SPLASH PARK;**
 - c. **HEATING OF THE POOL WITH A NEW HEAT PUMP TO ALLOW FOR AN EXTENDED SUMMER POOL SEASON.**
 - d. **A VENUE TO HOLD LOCAL AND REGIONAL SWIMMING EVENTS.**
 - e. **A DRY PROGRAM SPACE WITHIN THE BUILDING FACILITY WHICH EXTENDS THE USE OF THE SITE BEYOND THE EXISTING POOL SEASON FOR ACTIVITIES SUCH YOGA, TAI CHI, MARTIAL ARTS AND COMMUNITY MEETING SPACE.**
 - f. **AN ALL ACCESSIBLE FACILITY FOR ALL ABILITIES INCLUDING ACCESS FROM THE CAR PARK TO POOL LEVEL.**
 - g. **ENTERTAINMENT FACILITIES FOR YOUNG CHILDREN ALLOWING FAMILIES TO EXTEND THEIR VISIT.**
2. **ACKNOWLEDGES THE FRIENDS OF MIRBOO NORTH POOL FOR THEIR DEDICATION AND PROJECT ADVOCACY.**
3. **ACKNOWLEDGES THE MIRBOO NORTH COMMUNITY FOR THEIR CONTRIBUTION OF \$1 MILLION TOWARDS THE PROJECT.**
4. **ACKNOWLEDGES THE FEDERAL GOVERNMENT'S CONTRIBUTION OF \$600,000 FROM THE COMMUNITY DEVELOPMENT GRANTS PROGRAM.**
5. **DETERMINES THE SERVICE LEVELS OF THE INCREASED OPENING HOURS AS PART OF THE AQUATIC STRATEGY REVIEW COMMENCING IN 2020 IN CONSULTATION WITH THE FRIENDS OF THE MIRBOO NORTH POOL.**
6. **NOTE THAT THIS TENDER RFT/231 IS BEING AWARDED TO THE SAME SUCCESSFUL TENDERER OF THE RELATED CONTRACT FOR MIRBOO NORTH POOL PAVILION CONSTRUCTION WHICH WAS PUBLISHED AS RFT /230. THERE ARE ECONOMIES OF SCALE TO BE MADE FOR THE TENDERER**

AND COUNCIL IN MERGING THESE TWO CONTRACTS INTO ONE SINGULAR CONTRACT WHICH WILL BE DESIGNATED CON/231.

- 7. IN CONJUNCTION WITH THE PANEL RECOMMENDATION FOR RFT/230, APPROVES THE AWARD OF CONTRACT CON/231 MIRBOO NORTH POOL RE-DEVELOPMENT TO LANGDEN CONSTRUCTIONS PTY LTD FOR THE LUMP SUM AMOUNT OF \$5,617,570.**
- 8. INCREASES THE BUDGET FOR THE PROJECT BY \$278,729, TO A TOTAL OF \$5,732,570.**
- 9. DELEGATES TO THE MANAGER INFRASTRUCTURE DELIVERY (CONTRACT SUPERINTENDENT), THE POWER TO APPROVE VARIATIONS UP TO A CONTINGENCY ALLOWANCE OF 5 PER CENT OF THE PAVILION BUILDING PORTION OF WORKS ONLY CONTRACT LUMP SUM (\$87,500) PLUS OUTSIDE OF CONTRACT PROVISIONAL SUMS FOR BUILDING PERMIT (\$20,000) AND ELECTRICAL AUTHORITY COSTS (\$7,500), CAPPED AT A TOTAL OF \$115,000, WITHIN THE BUDGET OF \$5,732,570.**
- 10. PUBLISHES ON COUNCIL'S WEBSITE THE SUCCESSFUL CONTRACTOR AND LUMP SUM AMOUNT WITHIN ONE WEEK OF COUNCIL'S DECISION TO APPROVE THE AWARD OF CONTRACT CON/231 TO ALLOW SUFFICIENT TIME FOR THE FORMAL AWARD OF THE CONTRACT.**
- 11. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO SIGN AND AFFIX THE COMMON SEAL OF THE MUNICIPALITY TO THE CONTRACT DOCUMENTS.**

CARRIED UNANIMOUSLY

REPORT

Background

The Mirboo North pool has served local residents since 1904 and is passionately valued by this community. Despite maintenance efforts to keep the facility in operational condition, it has reached the end of its serviceable life. Council has supported the community's desire to redevelop the pool by adopting its redevelopment as a priority project.

Located in a gully surrounded by bushland, the site presents challenges including the management of ground water, drainage, and existing soil conditions to establish an adequate structural base for the pool. These will be addressed in the design and construction phases of the project. The Pavilion project presents only minor challenges, which have been addressed in the fully documented design.

Project Scope

The scope of works includes, but is not limited to:

- Demolition of the existing pools and pool infrastructure, existing pavilion building and ramp between pavilion and kids pool;
- All associated civil works / site earthworks;
- Design and construction of a new 25m long eight lane wide swimming pool, Learn-To-Swim (LTS) pool, inclusive of access ramps and surrounding concourses;
- Design and construction of a new children's splash park;
- Design and construction of all associated swimming pool services, plant and infrastructure;
- Swimming pool fixtures and fittings including steps, lane ropes, and flags.
- Construction and fit-out of the amenities building;
- Hard and soft landscaping, inclusive of pavement slabs, retaining walls, access paths, handrails, tactile indicators.

Tender Evaluation RFT/231 – Design and Construct Pool Aquatic Infrastructure Portion

The tender evaluation criteria identified the tender sum as having the greatest single weighting, however strong weighting was also placed on the quality of the tenderer's design proposal. The capability of the tenderer's designers and subcontractors, the use of local trades, and the tenderer's occupational health

and safety (OH&S) management systems were also evaluated. The evaluation criteria and their respective weightings are listed in the table below.

RFT/231 - Evaluation Criteria and Weightings

Criteria	Assessment	Weighting
1. Tender Sum	1.1. Lump sum price compared to tender field.	55%
2. Design	2.1. Quality of Design proposal.	20%
3. Capability	3.1. Design & Construction capability	10%
4. Local involvement	4.1. Extent of local trades and suppliers used (where possible / applicable).	10%
5. OH&S	5.1. Acceptable OH&S system, documentation and evidence.	5%

In response to RFT/231, two tender submissions were received. The recommended tenderer for the combined project submitted a price that was in the order of \$260,000 cheaper than the competitor, for the Pool Aquatic Infrastructure Portion of the Project.

The tender submissions were evaluated by a group of panel members. The panel members were:

- Director Infrastructure
- Coordinator Buildings
- Recreation Officer
- Procurement Officers

The tender evaluation including weighted scores has been included in **Confidential Attachment [15.2.1]**.

Tender Evaluation RFT/230 – Pool Pavilion Portion

The tender evaluation criteria identified the tender sum as having the greatest single weighting, however strong weighting was also placed on a tenderer's relevant experience in similar works along with the relevant experience of their selected employees. The use of local trades and suppliers, as well as the occupational health and safety (OH&S) management system of the tenderers were also evaluated. The evaluation criteria and their respective weightings are listed in the table below.

RFT/230 - Evaluation Criteria and Weightings

Criteria	Assessment	Weighting
1. Tender Sum	1.1. Lump sum price compared to tender field.	45%
2. Company experience	2.1. Head contractor's relevant experience in previous relevant projects.	30%
3. Key personnel	3.1. Relevant experience of subcontractors in previous similar projects.	10%
4. Local involvement	4.1. Extent of local trades and suppliers used (where possible / applicable).	10%
5. OH&S	5.1. Certified / Compliant OH&S system, documentation and evidence.	5%

In response to RFT/230, only one tender submission was received. The tender submission was evaluated by a group of panel members. The evaluation panel consisted of the Director Infrastructure, Coordinator Buildings, Recreation Officer, and Procurement Officers. The tender evaluation including weighted scores has been included in **Confidential Attachment [15.2.1]**.

Contract Details

The contract details are summarised in the table below:

CON/231 - Contract details

Item	Detail
Commencement date	25 November 2019
Date for Practical Completion	16 October 2020
Superintendent	Manager Infrastructure Delivery
Responsible contract officer	Coordinator Buildings

CONSULTATION

Tender specifications were developed in consultation with all relevant officers involved in the management of recreation facilities, swimming pools, and Council buildings.

RFT/231 was advertised in The Age (20 July 2019), the Latrobe Valley Express (22 July 2019) and in Council's Noticeboard section of the local papers (23 July 2019). Tenders closed on 20 August 2019.

RFT/230 was advertised in The Age (7 September 2019), the Latrobe Valley Express (9 September 2019) and in Council's Noticeboard section of the local papers (10 September 2019). Tenders closed on 1 October 2019.

The redevelopment of the Mirboo North Pool will provide an opportunity to extend the opening days of the Summer pool season which will be a change in the

current services levels. It is proposed that Council determines the service levels of the increased opening hours as part of the Aquatic Strategy review in consultation with the Friends of the Mirboo North Pool commencing in the year 2020.

RESOURCES

Budget

Budget Description	Amount
Current available budget	\$5,453,841
Increase required	\$278,729
Required budget	\$5,732,570

Cost Breakdown including Provisional Sums

Item	Description	Cost
A	Combined tender sum	\$5,297,570
B	Provisional Sum – Piling & Associated Works	\$125,000
C	Provisional Sum – Heat Pumps*	\$175,000
D	Provisional Sum – Upgrade Electrical Infrastructure on site for Heat Pumps*	\$20,000
E	Lump Sum (A + B + C + D)	\$5,617,570
F	Contingency	\$115,000
	Total Project Cost (E + F)	\$5,732,570
* (Capital cost to extend season by up to 5 weeks)		

Contingency

A figure of \$115,000, based on 5 per cent Construction Cost for the Pavilion Building only, a \$20,000 allowance for a Building Permit, and a \$7,500 allowance for Electricity Authority costs for the Heat Pump upgrade, has been allowed for over and above the lump sum contract amount. This contingency amount is for unforeseen expenditure items relating to these works which requires the written approval of the Contract Superintendent prior to any works taking place.

Recurrent

Extending the season by up to 5 weeks will add recurrent costs to the budget as a result of increased utility costs and contract management fees. The combined annual costs are estimated at \$50,000 with indexation to be considered for future years.

It is proposed that Council determines the service levels of the increased opening hours in consultation with the Friends of the Mirboo North Pool during the Aquatic Strategy review in 2020. The resultant recurrent costs are to be directed to the development of the 2020/21 Annual Budget.

RISKS

Design and Construct Pool Aquatic Infrastructure Portion (RFT/231)

The major risk is the conditions of the ground beneath the swimming pools themselves, and the variable water table in the location of the site works. The risk relating to the ground conditions has been mitigated by way of a further geotechnical investigation that was commissioned to obtain soil samples beneath the pools, to complement the existing information from locations surrounding the pools. This transfers Council's main project risk – latent conditions relating to the foundation material beneath and around the pool structure – to the tenderer.

The water table risk will be mitigated in the construction phase, by the tenderer ensuring that drainage works (including re-works relating to the “creek diversion” drainage) are completed early in the construction phase, to allow water to drain away and avoid as much as possible the main civil / site earthworks.

Pool Pavilion Portion (RFT/230)

There are minimal risks associated with this portion of the project. Unlike the Aquatic Infrastructure portion of the redevelopment works, the building site for the pavilion is located higher on the site, where no ground water issues of any significance are expected to be encountered.

A delay in awarding the project and commencing works may affect the completion date of the project, and result in a subsequent interruption for the anticipated opening of the swimming pool for the 2020/21 Summer season.

STAFF DISCLOSURE

Nil

CONFIDENTIAL ATTACHMENT

<p>Confidential Attachment [15.2.1] – Tender Evaluation Summary RFT/230 and RFT 231 – has been provided in accordance with s.77(2)(c) of the Local Government Act 198. The Chief Executive Officer designates this Agenda Item as confidential information on the grounds that it relates to s.89(2)(d) - contractual matters. This item is deemed confidential to protect the privacy of the contractors, tender scores, and tendered amounts submitted for consideration.</p>
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REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget 2019/20

Asset Management Plan – Buildings (2017)

Procurement Policy (C32)

Strategic Direction for Aquatic Facilities in South Gippsland

Mirboo North Pool Pavilion Redevelopment – Construction Documentation

Legislative Provisions

Local Government Act 1989

11. PUBLIC QUESTIONS

11.1. PETITIONS AND JOINT LETTERS

Petitions and Joint letters are written requests that have been signed by a number of community members. According to the Local Law No.3 2010 petitions may be presented to Council by an Administrator. A petition presented to the Council must lay on the table until the next Ordinary Meeting of Council and no motion, other than to receive the petition, may be accepted by the Chair unless the Council agrees to deal with it earlier.

The lead petitioner or person organising the petition may in presenting the petition to an Administrator at a Public Presentation session speak briefly to its contents. At the following Ordinary Meeting of Council, an Administrator would accept the petition and introduce it to Council for formal noting and actioning by Council.

The Administrator presenting the petition is responsible for ensuring that they are familiar with the contents and purpose of the petition and that it is not derogatory or defamatory.

Administrator Brown acknowledged receipt of a petition lodged to Council by lead petitioner Suzanne Kier Himmelreich.

PUBLIC PETITION

To request that the South Gippsland Shire Council **install lighting in the public car park** between the Victoria Police Precinct, and Autobarn Leongatha.

This area is used by the general public, customers of Autobarn, the RSL, and for all day parking by employees of surrounding businesses.

This is a **safety issue**, there is **no lighting** in the area.

It affects personal safety, the risk of tripping and falling, and security for parked vehicles.

MOVED: Administrator Brown

SECONDED: Administrator Eisenbise

THAT COUNCIL:

- 1. RECEIVED AND NOTE THE PETITION; AND**
- 2. RECEIVE A REPORT AT ORDINARY MEETING OF COUNCIL 18 DECEMBER 2019.**

CARRIED UNANIMOUSLY

11.2. ANSWERS TO PREVIOUS QUESTIONS ON NOTICE

All community member questions for Ordinary Council Meetings are to be written and submitted to the Council Business Team by close of business on the Friday preceding the meeting to allow time for a response to be prepared, where possible, for the Council Meeting.

Questions can also be submitted in hard copy format into the 'Public Question Box' within the first 15 minutes of an Ordinary Council Meeting.

Public Question Time in Ordinary Council Meetings is to be used for matters that are generally political in nature or that cannot be addressed by other means. This session should not be used for questions on routine works or operational matters, planning (application) matters or for repeating previously answered questions.

Source: Public Participation in Meetings with Council Policy (C65) – adopted 28 November 2018.

John McCombe representing the South Gippsland Action Group submitted questions at the Ordinary Council Meeting 23 October 2019. The questions were taken on notice and responses are now provided.

Question 1

Given Council has an oft stated position of being open and transparent – a highly valued objective – is it possible for the minutes of the open segments of council meetings to henceforth include the verbatim comments/ speeches of the Administrator's when they speak to a motion, prior to voting on the matter under consideration?

Response

The Local Law No.3 2010 – Processes of Municipal Government (Meeting Procedures and Common Seal) sets out what is required to be included in Council Minutes. The minutes record motions and decisions only.

Council's live streaming of meetings (and its record) provides the opportunity to hear and review the Administrators remarks.

Question 2

What motivation did Administrator Brown have for moving the amendment to the motion dealing with the decision to not proceed further with the Equestrian and Exhibition Centre proposal before Council and why was the restriction considered necessary at all, given the \$87,000 bill, for the project to date, is being footed by the ratepayers – not by the favoured community group?

Response

It was not Administrator Brown's intent in the amendment to restrict access to the studies but to ensure that the working group were provided copies if they wished to continue to advance the project privately.

Further to the response provided.

The report is available as an open document attached to the Agenda and can be located at the following link:

https://www.southgippsland.vic.gov.au/meetings/meeting/142/council_meetings_-_agendas_and_minutes

Refer Attachment 4.1.1 SGSC - Event and Exhibition Centre Feasibility.

Question 3

Is there any reason why the VicTrack lease with SGSC cannot be made available for scrutiny by any rate payer?

Response

The lease is confidential as it was considered as a confidential attachment in a past Council report.

Council will receive a future report following the outcome of the tender for the removal of the ballast, sleepers and rail track and will reconsider the status of the lease documentation at that time.

Lindsay Love representing the South Gippsland Action Group submitted questions at the Ordinary Council Meeting 23 October 2019. The questions were taken on notice and responses are now provided.

Question 1

Please advise time sheet records for staff undertaking road condition reports and advice on road drainage issues with the Records to show date, time allocation and roads inspected?

Council is responsible for approximately 1200km of unsealed road and 800km of sealed road. This request is highly operational, it would require a significant undertaking to satisfy the request and is not an efficient use of staff resources.

Question 2

Please provide advice on training qualifications of staff undertaking road condition inspections?

Response

Staff are trained by experienced road maintenance and construction workers. These experienced staff have over 20 years' experience in road construction and maintenance. On the job training is complemented by external training in a range of short course disciplines.

Question 3

Can Council please advise when the staff Code of Conduct and Terms and Conditions of Employment documents will be amended to reflect the change in community (and hence employee) behaviour in respect to taking drugs and the impact of drugs for a safe workplace and safe people environment in the Shire, which would suggest some form of random drug testing should be applied to Shire operators of vehicles, plant and equipment?

Response

Council has a Code of Conduct and Fitness for Work – Drugs and Alcohol in the Workplace Policy that is consistent with industry practice. These policies are reviewed periodically.

11.3. SUBMITTED PUBLIC QUESTIONS

All community member questions for Ordinary Council Meetings are to be written and submitted to the Council Business Team by close of business on the Friday preceding the meeting to allow time for a response to be prepared, where possible, for the Council Meeting.

Questions can also be submitted in hard copy format into the 'Public Question Box' within the first 15 minutes of an Ordinary Council Meeting.

Public Question Time in Ordinary Council Meetings is to be used for matters that are generally political in nature or that cannot be addressed by other means. This session should not be used for questions on routine works or operational matters, planning (application) matters or for repeating previously answered questions.

Source: Public Participation in Meetings with Council Policy (C65) – adopted 28 November 2018.

Marie Gerrard-Staton submitted written questions and the questions were taken on notice.

- 1. Will the Administrators work through all current proposed projects and remove those that are not on our [Council] land from the future budget? Is there a Council resolution to do so?**
- 2. In June 2018 Council approved funding for a study on Lyric Theatre. Can the Administrators say whether they will be ceasing this project now?**

Kathleen Murray submitted written questions and the questions were taken on notice.

- 1. Are the Administrators working through a list of previous Council decisions to reverse them?**
 - 2. Shouldn't Council call for an officer report at a Council Meeting before receiving the report to reverse a prior Council resolution?**
 - 3. And if it is a rescission motion, how can it be done after the original motion had been acted upon?**
-

John McCombe submitted written questions and the questions were taken on notice.

- 1. Why have the Administrators failed to mention the Growth for Rates Reduction plan/ strategy, given the dismissed elected councillors had understood the concept and recorded their embracing of it?**
- 2. Why is it that the Administrators since their appointment have not considered it necessary to update the community on the progress of the as yet unsettled Bald Hills Wind Farm dispute, which has a track record of embroiling the South Gippsland Shire ratepayers in a very significant amount of legal representation expenditure?**

Lindsay Love submitted written questions and the questions were taken on notice.

- 1. Does the Shire have suitably experienced staff who actually ride a bike along the trail to determine the maintenance needs?**
- 2. Please explain how their management of just a 13m wide trail easement (which is just the embankment) will impact on the 'weed infested' wider rail reserve and can they advise on who is the management authority for this wider rail reserve?**
- 3. Why will Council not provide adequate time and assistance for this Tourist Rail Group to develop and present its case for a facility which offers so much more to the community than the rail trail alone?**

Gus Blaauw submitted written questions and the questions were taken on notice.

- 1. Why is it that when the Long Term Financial Strategies detail a plethora of strategies, I cannot find anywhere in this document commitments to provide us ratepayers with Council rates at a reasonable cost acceptable to us, Ratepayers?**
 - 2. Why do council borrowings, in just a few months already amounting to \$13.6M, do not reconcile with the Principles of sound financial management on page 6, item c (ensure that decisions are made and actions are taken having regard to their financial effects on future generations) of the long term financial strategies?**
 - 3. Is council aware that item d (ensure full, accurate and timely disclosure of financial information relating to the Council) of the Principles of sound financial management?**
-

Judy Love submitted written questions and the questions were taken on notice.

- 1. Can Council provide a definitive basis for deciding how Council will allocate funding to proposed projects which may or may not be on Council owned land?**
 - 2. What steps is Council undertaking to show that this Shire is open for business for developers and what steps are being taken to overcome hurdles to development such as lack of water and sewage supply to many of our coastal towns?**
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12. CLOSED SESSION

Consideration of confidential matters under the Local Government Act 1989, section 89(2).

According to section 89 of the Local Government Act 1989, Council may consider items in closed session. There must be a resolution to move 'In-Committee' stating the reasons why the matter(s) need to be considered in this way. The reasons provided for within the Act are matters concerning personnel, personal hardship, industrial issues, contracts, proposed developments, legal advice or any other matter that Council considers would be prejudicial, to it or any other person.

Once 'In-Committee' discussions and debate have concluded, a further resolution to resume open Council is required.

RECOMMENDATION

That Council close the meeting to the public to allow for consideration of Closed ITEM 14.1 PREJUDICIAL MATTER pursuant to section 89(2)(h) a matter which the Council or Special Committee considers would prejudice the Council or any person of the Local Government Act 1989.

MOVED: Administrator Brown

SECONDED: Administrator Zahra

THAT COUNCIL CLOSE THE MEETING TO THE PUBLIC TO ALLOW FOR CONSIDERATION OF CLOSED ITEM 14.1 PREJUDICIAL MATTER PURSUANT TO SECTION 89(2)(h) A MATTER WHICH THE COUNCIL OR SPECIAL COMMITTEE CONSIDERS WOULD PREJUDICE THE COUNCIL OR ANY PERSON OF THE LOCAL GOVERNMENT ACT 1989.

CARRIED UNANIMOUSLY

The Administrator Chair adjourned the Meeting for 5 minutes in order to clear the room for the Confidential Closed session of the Meeting.

13. MEETING CLOSED

NEXT MEETING

The next Ordinary Meeting of Council open to the public will be held on Wednesday, 18 December 2019 commencing at 2pm in the Council Chambers, Leongatha.

The Ordinary Council Meeting closed at 2.47pm.

Confirmed this

18th day of December 2019.

Administrator Chair, Julie Eisenbise

