



South Gippsland
Shire Council

Come for the beauty, Stay for the lifestyle

COUNCIL MINUTES

**ORDINARY MEETING NO. 385
WEDNESDAY 22 OCTOBER 2014
COUNCIL CHAMBERS, LEONGATHA
COMMENCED AT 2PM**

PRESENT:

Mayor: Cr James Fawcett
Deputy Mayor: Cr Jeanette Harding
Councillors: Mohya Davies, Kieran Kennedy, Robert Newton, Lorraine Brunt, Andrew McEwen and Don Hill.

APOLOGY: Councillor Nigel Hutchinson-Brooks

OFFICERS:

Mr Tim Tamlin	Chief Executive Officer
Anthony Seabrook	Director Engineering Services
Jan Martin	Director Community Services
June Ernst	Director Corporate Services
Paul Stampton	Acting Director Development Services
Luke Anthony	Manager Governance Services
Natasha Berry	Governance Officer
Heather Williams	Council Support Officer
Christian Stefani	Manager Customer Relations

MISSION

To effectively plan and provide for the social, built, economic and natural environments that ensure the future wellbeing of South Gippsland Communities.

SOUTH GIPPSLAND SHIRE COUNCIL

ORDINARY MEETING NO. 385 WEDNESDAY 22 OCTOBER 2014 COUNCIL CHAMBERS, LEONGATHA COMMENCED AT 2PM

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Tim Tamlin
Chief Executive Officer

SECTION A - PRELIMINARY MATTERS

A.1 WELCOME

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

A.2 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

A.3 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS

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

A.4 APOLOGIES

Councillor Nigel Hutchinson-Brooks

A.5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the South Gippsland Shire Council Ordinary Meeting No. 384, held on 24 September 2014 in the Council Chambers, Leongatha be confirmed.

MOVED: Cr Kennedy

SECONDED: Cr Newton

**THAT THE MINUTES OF THE SOUTH GIPPSLAND SHIRE COUNCIL
ORDINARY MEETING NO. 384, HELD ON 24 SEPTEMBER 2014 IN THE
COUNCIL CHAMBERS, LEONGATHA BE CONFIRMED.**

CARRIED UNANIMOUSLY

A.6 REQUESTS FOR LEAVE OF ABSENCE

Nil

A.7 DECLARATION OF CONFLICT OF INTEREST FOR COUNCILLORS

Any interest that a Councillor 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. This legislation can be obtained by contacting the Council's Corporate Services Directorate (Governance Services) 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 a Councillor 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 the Organisational Development Department – Governance).
- 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 Councillor 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.

Councillors should check the Minutes of the Council Meeting to ensure their disclosure is recorded accurately.

Councillors 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 for Councillors June 2011.

Type of Interest		Example of Circumstance
Direct Interest		Reasonably likely that your benefits, obligations, opportunities or circumstances will be directly altered. Reasonably likely to receive a direct benefit or loss measurable in money. Reasonably likely that your residential amenity will be directly affected.
Indirect Interest	Close Association	A member of your family has a direct interest or an indirect interest. A relative has a direct interest. A member of your household has a direct interest.
	Indirect financial Interest	Likely to receive a benefit or loss, measurable in money, resulting from a change to another person's interest. Holding shares in a company or body that has a direct interest (subject to threshold) When a person with a direct interest owes money to you.
	Conflict of Duty	Manager or member of the governing body of an organisation with a direct interest. Trustee for a person with a direct interest. Past dealings in relation to the matter as duty to another person or body.
	Applicable Gift	Gifts valued at \$500 in previous 5 years. Election donations valued at or above \$500 in previous 5 years. Gifts other than election campaign donations that were received more than 12 months before a person became a Councillor are exempt.
	Party to the Matter	Initiated or became party to civil proceedings in relation to the matter.

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. Further information or a copy of the policy or can be obtained by contacting Council's Organisational Development Department (Governance).

Nil

A.8 Declaration of Conflict 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 Department of Planning and Community Development in '*Conflict of Interest A Guide for Council staff*', October 2011.

Nil

A.9 PETITIONS

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 a Councillor. A petition presented to the Council must lay on the table until the next Ordinary Meeting of the 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 a Councillor at the Council Meeting speak briefly to its contents. At the same meeting a Councillor would accept the petition and introduce it to Council for formal noting and actioning by Council.

The Councillor 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.

Nil

A.10 COUNCILLOR REPORTS

Cr Davies addressed Council regarding attendance at:

- **Opening of new facilities at Agnes Falls by Hon. Peter Ryan MP. Cr Davies also noted that there was a funding announcement made by Hon. Peter Ryan MP for the 'Missing Link - Rail Trail through the Black Spur' and noted appreciation of receiving these funds and looking forward to it's completion.**
- **Senior Citizens 40th Birthday in Foster and noted the attendance of Mr Russell Broadbent MP, it was an enjoyable day.**
- **Mental Health First Aid Program in Foster and encouraged attendance by community members.**
- **Launch of the Great Southern Rail Trail branding project on 27 November in Port Welshpool and Foster. Cr Davies also noted that there would also be a launch of the 'Friends of Great Southern Rail Trail' on this day.**
- **Funding announcement by the State Government for Karmai Kindergarten Korumburra Project by Hon. Peter Ryan MP. Cr Davies also noted another funding announcement for Viplus, Toora was made on this day.**
- **Centenary Celebrations for the '*Janet Isles*' in Port Welshpool.**
- **MAV Conference.**

Cr Davies addressed Council by thanking the Mayor for the work and leadership over the previous year and noted that he would be receiving an award from Municipal Association of Victoria (MAV) for his contribution to South Gippsland for 3 years.

Cr Hill addressed Council regarding attendance at an AGM and noted feedback from the Committee was that the paperwork requirements are onerous and that contact with Shire could be more efficient if there was only one point of contact.

Cr McEwen addressed Council regarding attendance at Rail Freight Alliance Conference and noted discussions regarding the debate over port location between Bay West and Port of Hasting. Cr McEwen noted that if the port location was Hastings then it may be likely that a rail link could operate from Pakenham to Cranbourne and this would greatly benefit South Gippsland.

Cr Brunt addressed Council regarding attendance at a Literary Festival at Coal Creek and presented awards and noted the high level of writing ability displayed by the young people.

Cr Brunt addressed Council by acknowledging the recent amount of State Government Grant funding into the Shire and noted how this progresses priority projects in the Shire and is a reflection of the efforts of community and staff.

Cr Newton addressed Council regarding attendance at:

- **'Shadow Day' held in Traralgon and noted what a valuable experience this day is, he explained that this day provides employers the opportunity to provide people with a disability a day to work or 'shadow' someone's job for a day, there by providing experience of a work field of interest.**
- **Dairy Expo Korumburra and noted the economic impact and the wonderful job undertaken by the Lions Club in running this event.**

Cr Newton noted the work of the Governance Team in supporting the Section 86 Committees of Council.

Cr Harding addressed Council regarding the numerous funding opportunities provided by State Government and noted that both Councillors and staff have worked hard to achieve this outcome and thanked the press for reporting on these positive events.

Cr Harding noted that it was good to see the Mayor, Cr Fawcett and CEO, Mr Tim Tamlin back to work after recent annual leave.

Cr Fawcett addressed Council by making comments about the recent passing of Gough Whitlam and noted that he was a transformational politician and extended Council's appreciation to him and his family for his positive contribution to Australia many years ago.

Cr Fawcett addressed Council by commenting on the level of grants and opportunities provided by the Government to the Shire over the previous 5 years and noted the advocacy of applications by our local member and the work of Council in achieving this.

SECTION B - NOTICES OF MOTION AND/OR RESCISSION

B.1 NOTICE OF MOTION 670 – IDENTIFYING EXPENDITURE ITEMS INCORPORATED INTO 15 YEAR BUDGET PROJECTIONS THAT HAVE NOT BEEN THROUGH A TRANSPARENT PROCESS OF DEBATE OR ARE NOT COVERED BY A CURRENT ASSET MANAGEMENT PLAN

PURPOSE/INTRODUCTION

The process for preparing a 15 year budget is a statutory requirement set out in the Local Government Act (1989).

The following motions were passed by Council on May 28th 2014.

THAT COUNCIL PREPARE A REPORT ON GOOD GOVERNANCE PROCEDURE FOR THE CAPITAL WORKS BUDGET THAT:

- 1. REVIEWS THE POLICY AND METHODS TO BE EMPLOYED TO ADD FUTURE ADDITIONAL EXPENDITURE INTO THE 15 YEAR PROJECTIONS.**

CARRIED UNANIMOUSLY

- 2. SUCH METHODS SHOULD BE A CLEAR AND TRANSPARENT PROCESS WHICH ALLOWS FOR RIGOROUS DEBATE AND INFORMED DECISION MAKING. ALL SUCH PROCESSES MUST REFLECT THE FINANCIAL STRATEGIES OF COUNCIL.**

CARRIED UNANIMOUSLY

To agree, as was the case, to review the methods to be employed to add FUTURE ADDITIONAL EXPENDITURE into the 15 year budget based on clear and transparent processes which allow for rigorous debate and informed decision making but to fail to approve the motion requiring existing expenditure items which have not been approved of using this clear and transparent method to be so approved before confirming their place within the 15 year budget is I believe an unacceptable process for this council.

This approach creates a major risk for Council if the resulting 15 year budget is perceived by the broader community to be inclusive of unapproved expenditure and therefore requiring higher rates to be charged to cover said expenditure. For expenditure to be included without a clear and transparent process leads to perceptions of flawed processes and is clearly a failure of good governance.

Examples of inappropriate processes (not necessarily enacted at South Gippsland), are as follows;

- 1. New expenditure Items included within the 15 year budget from Officers without Council/Councillor debate or discussion.**

2. Department managers over-estimating expenditure items for purposes of retaining the surplus at the end of the project for other expenditure items of their own choosing.
3. Monies identified for one purpose and so approved of by Council transferred to another different and unapproved purpose. Money approved of for roads permanently transferred to buildings for example.

MOTION

I, Councillor Don Hill, advise that I intend to submit the following motion to the Ordinary Council Meeting scheduled to be held on **22 October 2014**:

'THAT COUNCIL:

1. **AFTER RECEIVING THE REPORT CALLED FOR FROM THE MAY 28TH 2014 MEETING (ITEM B.1), TO ITEMISE CURRENT ITEMS OF EXPENDITURE THAT HAVE NOT PREVIOUSLY BEEN APPROVED USING SUCH METHODS AS IDENTIFIED IN THAT REPORT OR THAT ARE NOT COVERED BY A CURRENT ASSET MANAGEMENT PLAN WHICH IDENTIFIES THEM AS PART OF A SUSTAINABLE EXPENDITURE PROGRAM.**
2. **TO REMOVE FROM THE 15 YEAR PROJECTIONS THOSE IDENTIFIED EXPENDITURE ITEMS AND ONLY TO REALLOCATE THEM IF COUNCIL DETERMINES TO DO SO AFTER FOLLOWING THE POLICY GUIDELINES DEVELOPED FROM THAT REPORT DURING THE BUDGET CYCLE.**
3. **IDENTIFY ALL FUTURE EXPENDITURE ITEMS REQUIRED TO BE FUNDED FROM DEVELOPER CONTRIBUTIONS OR OTHER EXTERNAL FUNDING SOURCES AND INDICATE THIS IN THE 15 YEAR FINANCIAL PROJECTIONS ALONG WITH THE AMOUNT OF DEVELOPER CONTRIBUTION OR OTHER EXTERNAL FUNDING EXPECTED OR REQUIRED.'**

MOVED: Cr Hill

SECONDED: Cr McEwen

THAT COUNCIL:

- 1. AFTER RECEIVING THE REPORT CALLED FOR FROM THE MAY 28TH 2014 MEETING (ITEM B.1), TO ITEMISE CURRENT ITEMS OF EXPENDITURE THAT HAVE NOT PREVIOUSLY BEEN APPROVED USING SUCH METHODS AS IDENTIFIED IN THAT REPORT OR THAT ARE NOT COVERED BY A CURRENT ASSET MANAGEMENT PLAN WHICH IDENTIFIES THEM AS PART OF A SUSTAINABLE EXPENDITURE PROGRAM.**
- 2. TO REMOVE FROM THE 15 YEAR PROJECTIONS THOSE IDENTIFIED EXPENDITURE ITEMS AND ONLY TO REALLOCATE THEM IF COUNCIL DETERMINES TO DO SO AFTER FOLLOWING THE POLICY GUIDELINES DEVELOPED FROM THAT REPORT DURING THE BUDGET CYCLE.**
- 3. IDENTIFY ALL FUTURE EXPENDITURE ITEMS REQUIRED TO BE FUNDED FROM DEVELOPER CONTRIBUTIONS OR OTHER EXTERNAL FUNDING SOURCES AND INDICATE THIS IN THE 15 YEAR FINANCIAL PROJECTIONS ALONG WITH THE AMOUNT OF DEVELOPER CONTRIBUTION OR OTHER EXTERNAL FUNDING EXPECTED OR REQUIRED.**

LOST

For: Crs McEwen, Hill and Kennedy.

Against: Crs Brunt, Newton, Fawcett, Harding and Davies.

B.2 NOTICE OF MOTION NUMBER 671 – COAL SEAM GAS (CSG) AND FRACKING IN SOUTH GIPPSLAND

PURPOSE

There is a growing body of peer reviewed scientific evidence that there are risks and consequential issues involved in Coal Seam Gas (CSG) and fracking operations. There is community angst and opposition because of the risks to water and farming. Nine communities in South Gippsland have already declared themselves CSG Free with over 90% signing these declarations. This represents 15% of the population.

Because of widespread opposition to CSG and Fracking the State Government was forced to introduce a moratorium on Fracking. Community consultation has been undertaken, but is due to report after the State election. The real question is whether there is a social licence to operate?

A number of governments globally have banned fracking, or placed moratoriums on it or provided for exclusion zones to protect prime agricultural and environmental landscapes.

Economics Risks and rewards

CSG and fracking will seriously affect sectors which are valued at \$1.3b or 49% of the economy, and employ 4,472 people or 47% of all jobs. Agriculture, food manufacturing, tourism and housing construction could be badly affected. Agriculture and food manufacturing can be affected by adverse impacts on land, water, livestock and brand reputation. Industrialising our landscape would be a significant turn off for tourism. Our housing and construction industry is driven by the 60% housing being built as second lifestyle homes with 60% of them being in smaller towns and rural areas. This market would be seriously affected by adverse publicity and industrialising landscapes.

South Gippsland Shire Sectors of Economy Potentially Affected by CSG			
Sector of Economy	GDP \$m's	Employees	% of Economy
Construction	132	312	5%
Agriculture	460	2490	17%
Tourism	250	1900	9%
Food Manufacturing	476	770	18%
Total	1318	4472	100%
Percentage	49%	47%	

Source: Remplan and Urban Enterprise Report 2010

We are playing a potential 'game of dice', gambling on unproven marginal potential benefits of CSG against the risk of permanent losses to production, housing and construction and tourism. A 10% impact would lose \$131m and 447 jobs. There is a serious potential for danger with health, an industrialised landscape and permanent damage that could occur to aquifers, soil and water quality along with reputational brand damage to tourism and for food from South Gippsland.

The NSW Chief Scientist argued last year that the 'Precautionary Principle' should apply given that there is sufficient evidence that there are risks associated. Since her report there have been a rapidly growing number of peer reviewed scientific articles raising and confirming concerns. We are potentially trading off known benefits against unknown risks, costs and short term ill defined benefit. The industrialisation of the landscape will dramatically change our landscape and indeed our lifestyle.

Issues identified

A recent report (A literature review, documents 337 references with 117 peer reviewed articles or official reports) on current research by Concerned Health Professionals of New York concludes that:

"...as fracking operations have increased in frequency and intensity, a significant body of evidence has emerged to demonstrate that these activities are inherently dangerous to people and their communities. Risks include adverse impacts on water, air, agriculture, public health and safety, property values, climate stability and economic vitality.....A growing body of peer-reviewed studies, accident reports, and investigative articles is now confirming specific, quantifiable evidence of harm and has revealed fundamental problems with drilling and fracking."

Twelve major concerns area have been identified (refer **Attachment 1**)

Broader Strategic Issues

The Precautionary Approach to Protect Agriculture

We have got a choice to make in regard to as yet unproven potential short terms gains of CSG (10-20 years) vs. long term gains in perpetuity of agriculture and tourism. Agriculture is the lifeblood of the economy and is fundamental to our economy and Victoria's because of our climate secure rainfall.

The issue of gas prices is a furphy:

Gas prices are increasing, as we reach market parity with International/Asian prices. The argument that CSG fracking for gas will reduce gas prices is disingenuous and simply factually incorrect.

Overselling of benefits

The actual results of production from fracked wells are dramatically lower than was estimated. Wells in USA on average are 80% depleted after 3 years. There has been a dramatic write down of the estimate for gas reserves by US authorities. The supposed gas boom will have petered out by 2020. No CSG company has made money other than through the sale of reserves to larger companies.

Conclusion

Council in 2012 voted to oppose CSG and Fracking. The results from the communities subsequently conducting a survey indicate that in excess of 90% of our community is strongly opposed to coal seam gas and coal mining. There is a growing body of peer reviewed scientific evidence that question the very basis of CSG operations.

We have an agricultural industry in South Gippsland valued at over \$700million and a growing reputation for clean sustainable produce vs. the potential for at best 10-20 years of returns that put at risk the soils, water, industrialise our landscapes all of which cause harm to people's health.

The reality is that while some half of South Gippsland is a potential source for CSG industry, it is far from clear that there would be significant production. It is time to, as other States have provided for, an exemption for South Gippsland because of its prime agricultural production and to put to bed the angst that many people are feeling. Its time for government to genuinely listen to community wishes. We should, given the stakes and risks, take a precautionary approach.

MOTION

I, Councillor Andrew McEwen, advise that I intend to submit the following motion to the Ordinary Council Meeting scheduled to be held on **22 October 2014**.

'THAT COUNCIL:

- 1. AS A MATTER OF POLICY RECONFIRM COUNCIL'S COMMITMENT AGAINST COAL SEAM GAS (CSG) AND FRACKING;**
- 2. ENDORSE A POLICY OF SEEKING EXEMPTION FOR THE STATE GOVERNMENT FOR CSG AND COAL MINING AND EXPLORATION IN SOUTH GIPPSLAND SHIRE;**
- 3. WRITE TO ALL POLITICAL PARTIES SEEKING A PERMANENT EXCLUSION OF SOUTH GIPPSLAND SHIRE FROM CSG FRACKING AND COAL EXPLORATION AND MINING;**
- 4. INCORPORATES UNDER ADVOCACY IN ITS ANNUAL COUNCIL PLAN ITS OPPOSITION TO CSG AND FRACKING AND ITS**

POSITION TO SEEK AN EXEMPTION FROM CSG EXPLORATION AND MINING IN THE HIGH QUALITY AGRICULTURAL AREA IN SOUTH GIPPSLAND; AND

- 5. DEVELOP AN ACTIVE COMMUNICATION STRATEGY TO PUBLICISE AND ADVOCATE COUNCIL'S POSITION.'**

MOVED: Cr Kennedy

SECONDED: Cr Hill

THAT COUNCIL:

- 1. AS A MATTER OF POLICY RECONFIRM COUNCIL'S COMMITMENT AGAINST COAL SEAM GAS (CSG) AND FRACKING;**
- 2. ENDORSE A POLICY OF SEEKING EXEMPTION FOR THE STATE GOVERNMENT FOR CSG AND COAL MINING AND EXPLORATION IN SOUTH GIPPSLAND SHIRE;**
- 3. WRITE TO ALL POLITICAL PARTIES SEEKING A PERMANENT EXCLUSION OF SOUTH GIPPSLAND SHIRE FROM CSG FRACKING AND COAL EXPLORATION AND MINING;**
- 4. INCORPORATES UNDER ADVOCACY IN ITS ANNUAL COUNCIL PLAN ITS OPPOSITION TO CSG AND FRACKING AND ITS POSITION TO SEEK AN EXEMPTION FROM CSG EXPLORATION AND MINING IN THE HIGH QUALITY AGRICULTURAL AREA IN SOUTH GIPPSLAND; AND**
- 5. DEVELOP AN ACTIVE COMMUNICATION STRATEGY TO PUBLICISE AND ADVOCATE COUNCIL'S POSITION.**

AMENDMENT

MOVED: Cr McEwen

SECONDED: Cr Hill

THAT COUNCIL:

- 1. ENDORSE A POLICY OF SEEKING EXEMPTION FROM THE STATE GOVERNMENT FOR COAL SEAM GAS (CSG) AND COAL MINING AND EXPLORATION IN SOUTH GIPPSLAND SHIRE;**
- 2. WRITE TO ALL POLITICAL PARTIES SEEKING A PERMANENT EXCLUSION OF SOUTH GIPPSLAND SHIRE FROM CSG FRACKING AND COAL EXPLORATION AND MINING;**
- 3. INCORPORATES UNDER ADVOCACY IN ITS ANNUAL COUNCIL PLAN ITS OPPOSITION TO CSG AND FRACKING AND ITS POSITION TO SEEK AN EXEMPTION FROM CSG EXPLORATION**

**AND MINING IN THE HIGH QUALITY AGRICULTURAL AREA IN
SOUTH GIPPSLAND; AND**

**4. DEVELOP AN ACTIVE COMMUNICATION STRATEGY TO
PUBLICISE AND ADVOCATE COUNCIL'S POSITION.**

The Amendment was **CARRIED UNANIMOUSLY** and became the Motion before the Chair.

The Motion was **LOST**.

For: Crs McEwen, Hill and Kennedy.

Against: Crs Brunt, Newton, Fawcett, Harding and Davies.

Attachment 1 Twelve Major Concerns

While the debate has not been finally resolved there is a rapidly growing body of peer reviewed science that suggests there are at minimum serious concerns in regard to:

1. Water contamination

There a growing body of peer reviewed evidence that CSG fracking can be a serious risk to water quality and threaten groundwater. Of particular concern is the high rate of failure of casing of old wells that could allow for fracking chemicals to enter aquifers and pollute waterways. There is potential for drilling in South Gippsland to dissect one of the thousand of well holes.

2. Threat to agriculture and soils

Studies in USA by Cornell University and others have documented death of livestock, neurological disorder, aborted pregnancies and still births in cattle that come into contact with waste water and contamination of soils.

3. Air pollution

There is considerable evidence that air quality is adversely affected by gases such as methane and radon in gas fields which can have serious health effects.

4. Radioactive releases

Radon and radium have been measure in many sites in elevated levels seriously above EPA standards for drinking water

5. Occupational health and safety hazards

There are serious concerns about high levels of injuries and expose to silicosis in the operations of CSG fuels and wells in USA.

6. Noise and light pollution and stress

24 hour operations of field have exposed people to continuous noise and light which are proven to adversely affect health.

7. Health

There is increasing evidence of health effects and court findings against CSG companies in USA.

8. Earthquakes and seismic activity

A growing body of evidence links fracking waste water injection to earthquakes as high as 5.7 in addition to seams of minor earthquakes and slippage. South Gippsland is seismically active and any such fracking risks increasing their severity and impact.

9. Flood risks

Serious operational concerns have arisen from water storage to be breached either by dam failure or flooding which contaminates soil. The huge volumes of contaminated water that have to be retained in dams and the high rainfall in South Gippsland heighten these concerns.

10. Industrialised landscapes and declining property values

While wells themselves do not take up much land the local road network, retention dams and other facilities take up a significant land area in affect industrialising the landscape. This is compounded by the experience in USA that wells rapidly expire and maintaining production requires more wells to be sunk. Property values in USA & Australia have been adversely affected.

11. Inflated reserves estimates and profitability

Estimates of reserves have consistently being massively reduced by US authorities contrary to the optimistic forecasts. There are growing concerns that CSG industry may be uneconomic. Revised estimates are that US CSG industry will peak by 2017.

12. CSG is not a low carbon option

Several studies suggest that it is in fact almost as bad as or worse than coal as a greenhouse gas producer because of methane leakage.

B.3 NOTICE OF MOTION NUMBER 672 – ARTS AND POLICY STRATEGY

PURPOSE

Sports and Arts & Culture are both essential to the wellbeing of our communities. Both contribute significantly to our health, building social relations, strengthening communities and contributing to our sense of place and community. Together they both directly involve over 55% of our community.

Sports have traditionally been well supported by Council and the art and culture area has tended to come off second best. All sportspeople and people involved in the Arts and Culture contribute directly to Council through their rates. It is estimated that 20% of the community are directly involved in organised sports and some 35% of the community are involved in arts and cultural activities. Both arts & culture and recreation are discretionary Council services and not mandated.

Arts & Cultural activities are both a major contributor to social well being and health and play a significant role in economic development. High yield tourists are deeply interested in arts, culture, food and history and exploring interesting places. Many individual artists and small businesses (galleries, craft shops, music event etc.) significantly contribute to the uniqueness of the area and the tourist industry, which is our third largest industry generating \$250m and employing 1,300 people.

Arts and Cultural Activities and South Gippsland Shire's Financial Support.

The total arts and cultural funding under the Community Grants Funding 2009/10 to 2014 expenditure is around 7% or on average \$14,000 per annum. (refer **Attachment 1**)

Currently Council provides a subsidy for sportspeople in the vicinity of \$296 per user. This compares with a subsidy of less than \$1 for arts and culture. (refer **Attachment 2**)

Discussion

While periodically funding has been provided for one off arts and cultural activities, there is no ongoing funding for arts and cultural activities or indeed an arts and cultural policy and strategy plan. This is not consistent with larger rural Councils in Victoria. Most Councils have an Arts and Cultural Policy and strategies plans to implement them. Many Councils employed dedicated officers.

The issue of developing an Arts Policy and Strategy came up in discussions in regard to the rescission of Council's Arts Policy and support for the acquisition program. This proposal is to establish an Arts Forum and to develop an Arts Policy and Strategy, to undertake an industry cluster study and to create a sub program under the community grants program for arts and cultural activities.

Objectives of this Notice of this Motion

To establish an Arts Forum to work collaboratively with the arts and cultural community to promote the development of arts and cultural activities for the benefit of communities and for promoting arts careers, employment and economic development. (IPA2 Level Four: Collaboration)

To develop a recommended arts and cultural policy and an arts cultural strategy for Council's consideration to promote participation in arts and culture and to facilitate the development of the arts and culture industry cluster and its contribution to local employment and the economy.

To development a sub program element of arts and cultural activities in the Community Grants Program.

To strengthen the collaboration between Council and the arts industry and community to promote participation in the arts and employment and economic development.

Resourcing of the proposals

It is proposed that the development of the strategy be undertaken through existing resources. The proposed arts and cultural sub program is simply reserving existing monies for such activities and is similar in nature to the introduction of the small equipment grant component. The arts and culture industry cluster study would require around \$30,000 project funds with Council having to allocate \$10,000 in its budget deliberations for 2015/6 and seek government funding for the remainder through a 3:1 grant. (refer **Officer Comment at the conclusion of this Notice of Motion**)

Conclusion

Council is committed to strengthening communities, growing employment and economic development opportunities and to supporting the provision of appropriate services and facilities in the Shire. The arts and cultural industry is important both for personal development, social engagement, building social capital and strengthening communities and plays a significant role in providing local employment and contributing to tourist industry. Council provides a range of discretionary non mandated services and supports for a range of activities including support for recreation, pools, halls and community groups. Council spends in excess of \$1.8m for these activities. Currently there is a major imbalance in funding per head and attention and support of participants of recreation and arts and culture. This motion seeks a level playing field for sports & arts.

Most large rural Council have developed arts polices and plans. The lack of support is inhibiting the capacity of arts groups to tap into State and other government funding programs. New federal policy now prohibits Councils from receiving arts and cultural gifts, if they do not have an Arts Policy.

The proposal is in alignment with our engagement strategy to work in partnership with the community. The lack of an appropriate policy and strategies is limiting opportunities for personal development, social engagement, careers in the art industry and employment.

MOTION

I, Councillor McEwen, advise that I intend to submit the following motion to the Ordinary Council Meeting scheduled to be held on **22 October 2014**.

'THAT COUNCIL ESTABLISH A SOUTH GIPPSLAND ARTS FORUM, IN LINE WITH COUNCIL'S ENGAGEMENT STRATEGY, AS A COLLABORATIVE WORKING GROUP OF COUNCILLORS, OFFICERS AND ARTS AND CULTURAL REPRESENTATIVES TO:

- 1. ESTABLISH AN ARTS FORUM TO IMPLEMENT ITEMS 1 TO 3 AND THAT COUNCIL CALL FOR NOMINATION OF 9 PEOPLE AND ORGANISATION REPRESENTATIVES OF ARTS, CRAFT, MUSIC, DANCE & THEATRE TO BECOME MEMBERS OF THE ARTS FORUM AND THAT A REPORT BE PREPARED WITH TERMS OF REFERENCE AND PROPOSED NOMINATIONS FOR CONSIDERATION BY COUNCIL;**
- 2. NOMINATE TWO COUNCILLORS TO THE ARTS FORUM AS COUNCIL REPRESENTATIVES;**
- 3. COLLABORATIVELY DEVELOP ARTS AND CULTURAL POLICY FOR CONSIDERATION BY COUNCIL;**
- 4. DEVELOP AN ARTS AND CULTURAL STRATEGY FOR IMPLEMENTING THE PROPOSED POLICY;**
- 5. RECOMMEND A POLICY FOR AN ARTS AND CULTURAL SUB PROGRAM WITH \$30,000 ALLOCATED FOR ARTS AND CULTURAL ACTIVITIES ANNUALLY FROM THE COMMUNITY GRANTS PROGRAM; AND**
- 6. DEVELOP TERMS OF REFERENCE FOR AN ARTS INDUSTRY AND CULTURAL INDUSTRY CLUSTER STUDY TO PROMOTE EMPLOYMENT AND ECONOMIC DEVELOPMENT OF THE INDUSTRY IN THE SHIRE AND PREPARE PROPOSAL FOR COUNCILS CONSIDERATION FOR INCLUSION IN COUNCIL'S BUDGET DISCUSSIONS FOR 2015/16.'**

MOVED: Cr Brunt

SECONDED: Cr Kennedy

THAT STANDING ORDERS BE SUSPENDED.

CARRIED UNANIMOUSLY

The Mayor adjourned the Meeting for 5 minutes.

MOVED: Cr Newton

SECONDED: Cr Kennedy

THAT COUNCIL RESUME STANDING ORDERS.

CARRIED UNANIMOUSLY

MOVED: Cr McEwen

SECONDED: Cr Kennedy

THAT COUNCIL ESTABLISH A SOUTH GIPPSLAND ARTS FORUM, IN LINE WITH COUNCIL'S ENGAGEMENT STRATEGY, AS A COLLABORATIVE WORKING GROUP OF COUNCILLORS, OFFICERS AND ARTS AND CULTURAL REPRESENTATIVES TO:

- 1. ESTABLISH AN ARTS FORUM TO IMPLEMENT ITEMS 1 TO 3 AND THAT COUNCIL CALL FOR NOMINATION OF 9 PEOPLE AND ORGANISATION REPRESENTATIVES OF ARTS, CRAFT, MUSIC, DANCE & THEATRE TO BECOME MEMBERS OF THE ARTS FORUM AND THAT A REPORT BE PREPARED WITH TERMS OF REFERENCE AND PROPOSED NOMINATIONS FOR CONSIDERATION BY COUNCIL;**
- 2. NOMINATE TWO COUNCILLORS TO THE ARTS FORUM AS COUNCIL REPRESENTATIVES;**
- 3. COLLABORATIVELY DEVELOP ARTS AND CULTURAL POLICY FOR CONSIDERATION BY COUNCIL;**
- 4. DEVELOP AN ARTS AND CULTURAL STRATEGY FOR IMPLEMENTING THE PROPOSED POLICY;**
- 5. RECOMMEND A POLICY FOR AN ARTS AND CULTURAL SUB PROGRAM WITH \$30,000 ALLOCATED FOR ARTS AND CULTURAL ACTIVITIES ANNUALLY FROM THE COMMUNITY GRANTS PROGRAM; AND**
- 6. DEVELOP TERMS OF REFERENCE FOR AN ARTS INDUSTRY AND CULTURAL INDUSTRY CLUSTER STUDY TO PROMOTE EMPLOYMENT AND ECONOMIC DEVELOPMENT OF THE INDUSTRY IN THE SHIRE AND PREPARE PROPOSAL FOR COUNCILS CONSIDERATION FOR INCLUSION IN COUNCIL'S BUDGET DISCUSSIONS FOR 2015/16.**

Cr Davies indicated her intention to foreshadow a Motion should this Motion be lost.

LOST

For: Crs McEwen, Kennedy and Hill.

Against: Crs Brunt, Newton, Fawcett, Harding and Davies.

Cr Davies' foreshadowed Motion is now considered.

MOVED: Cr Davies

SECONDED: Cr Fawcett

THAT COUNCIL AS PART OF ITS ANNUAL PLANNING AND BUDGETING PROCESS FOR THE 2015 - 2016 YEAR:

- 1. REVIEW THE CURRENT ARTS POLICY AND HOW IT IS CURRENTLY IMPLEMENTED AND THE LEVEL OF SUPPORT IT PROVIDES TO THE COMMUNITY;**
- 2. DETERMINE HOW COUNCIL COULD BEST SUPPORT THE ARTS WITHIN THE SHIRE; AND**
- 3. SEEK BROADER COMMUNITY ENGAGEMENT FOR AN ARTS STRATEGY AND CONFIRM THE REQUIRED SERVICE LEVELS FOR ARTS AND CULTURE THROUGH THE COMMUNITY CONSULTATION FORUM USING 'OUR SAY'.**

Cr Hill left the Meeting at 3.42pm.

Cr Hill returned to the Meeting at 3.43pm.

CARRIED UNANIMOUSLY

Attachment 1
Arts and Culture and Community Grants Funding 2009/10 to 2014

Category	Total \$'s	%	Per annum
Sport	252095	47.9	50419
Halls	137041	12.9	27408
Tourism/Event	91025	8.6	18205
Total Culture	71731	6.8	14346
Arts	45436	4.3	9087
Community Associations	36554	3.5	7311
Kindergarten /Child Care	36500	3.4	7300
Historic	28050	2.6	5610
Men's Shed	25000	2.4	5000
Pools	23342	2.2	4668
Service Clubs	20200	1.9	4040
Com Centres	19560	1.8	3912
Music	16000	1.5	3200
Other	73222	6.9	14644

Attachment 2
Funding for donations & grants, operational and
capital expenditure for recreation

- Council currently spends annually on operations around \$250k on sporting grounds, \$890k on pools or \$1.2m on recreation operations annually.
- Council has spent \$1.9m on sporting grounds, \$1.3m on pools on capital projects in the last ten years. Council has budget to spend capital in the next fifteen years of \$4.5m on sporting grounds, \$4.7m on pools. This represents \$0.6m annually.
- Council spends \$307k on capital and \$250k on operational support annually on recreational reserves for a combined \$557k and \$890k on pool operations and \$240k on capital or \$1.13m annually. In total this represents \$1.7m annually.
- Giving the annual level of funding of around \$1.7m and assuming the accepted 20% participation rate, this figure represents a subsidy of \$296 per person.
- Council has averaged expenditure on arts of \$9,087 (community grants) represent a subsidy of less than \$1 per participant.

OFFICER COMMENT:

Staff resourcing implications of implementing Councillor NOTICE OF MOTION NUMBER 672 - ARTS AND CULTURE POLICY AND STRATEGY

At this time no staff allocation has been made that could implement all aspects of the proposed motion, although staff with the appropriate skills and experience to undertake most of the proposed work are currently engaged in the Community Strengthening team. The following time allocations are based on experience with developing and then supporting a range of community and industry based committees.

The extra staff time required to implement the motion as it stands is approximately 34 work days over the first year, equating to an additional 0.15 EFT initially, reducing to a 0.1EFT ongoing. The staff costs for the first year would equate to approximately \$10,000 and would reduce to approximately \$7,000 ongoing. The number of additional workdays assumes that the existing Arts Network is retained and continues to be resourced.

The additional staff time required is broken down into 3 components:

1. Establish Arts Alliance and support its operations in developing terms of reference, recruitment processes to ensure wide knowledge of the Alliance and suitable industry and community arts representation and preparation of Council report (5 days).
2. Ongoing support and assistance for the established Alliance-and the development of an Arts and Cultural Policy and Arts and Cultural Strategy by the Alliance. This will incorporate staff attendance at meetings, information distribution to all members, regular direct engagement with Alliance members including Councillor reps, establishment of on online file/document sharing system for the Alliance members, minutes and agendas and other administrative support (24 days per annum).
3. Arts Industry Business Cluster Study - support the development of terms of reference and funding submissions, develop contracts and appoint consultant, project supervision and reporting and supporting engagement with local and regional arts industry (10 days).

No extra time is required for establishment and implementation of \$30,000 grants fund as proposed as time is already allocated to community grants process by Community Strengthening staff, including promotion of grant opportunities to the arts community.

SECTION C - COMMITTEE REPORTS

C.1 AUDIT COMMITTEE REPORT SEPTEMBER 2014

Corporate Services Directorate

EXECUTIVE SUMMARY

The Audit Committee met on 15 September 2014 and a copy of their report (**Attachment 1**) is provided for Council's consideration and endorsement.

Document/s pertaining to this Council Report

- **Attachment 1** - Report of Audit Committee Meeting 15 September 2014

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989, Section 139

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Audit Committee Charter and Terms of Reference adopted by Council 25 November 2013.
- 'Audit Committees A Guide to Good Practice for Local Government' January 2011.

COUNCIL PLAN

Strategic Goal:	4.0	A Leading Organisation
Outcome:	4.2	Pursue Best Practice In Organisational Development and Operations of the Organisation
Strategy No:	4.2.2	We will monitor corporate governance processes, including risk management and skills development with the aim of ongoing improvement

CONSULTATION

The Audit Committee Report has been circulated to the Chair of the Audit Committee and the Chief Executive Officer for their endorsement.

REPORT

Background

The Audit Committee is an advisory committee, whose role it is to oversee and monitor Council's audit processes, including internal control activities. The committee comprises three independent community members, one of which is the Committee Chair, and two Councillors (Councillors Davies and

Fawcett). The Committee is independent from management and does not have any executive powers, management function or delegated financial responsibility. Some of the significant matters considered by the Audit Committee at the 15 September 2014:

- Annual Financial Report 2013-2014 and recommended that the Report is approved subject to minor amendments agreed with VAGO who are the external auditors and attended the meeting;
- Insurance coverage; and
- Depot Management Review.

FINANCIAL CONSIDERATIONS

There are no financial implications applicable to the Audit Committee Minutes.

RISKS

The Audit Committee undertakes an integral and active role in risk mitigation (including financial and environmental) and oversee organisational compliance with legislation.

RECOMMENDATION

That Council receive and endorse the report of the Audit Committee (Attachment 1) held on 15 September 2014.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Davies

SECONDED: Cr Brunt

THAT COUNCIL RECEIVE AND ENDORSE THE REPORT OF THE AUDIT COMMITTEE (ATTACHMENT 1) HELD ON 15 SEPTEMBER 2014.

CARRIED UNANIMOUSLY

**Attachment 1
Audit Committee Report – 15 September 2014**



Report of Audit Committee Meeting			
Meeting Objective			
Date	Monday 15 September 2014	Time 9.00am start (Confirmed that Committee to meet in committee at 8.30 am with internal auditor)	Duration: 2 hour meeting concluding 11.15am Location: Meeting Room 2, Council Chambers, Michael Place, Leongatha
Attendees	<p>Ms Theresa Glab (Chair) Dr Craig Nisbet Dr Irene Irvine Councillor Davies</p> <p>Support Staff: Jan Martin: Acting CEO, June Ernst: Director Community Services, Anthony Seabrook: Director Engineering Services, Tom Lovass: Manager Finance, Mathew Oorman: Finance Accountant, Luke Anthony: Manager Governance Services, Kara Dunn: Corporate Planner and David Roche: Governance Coordinator.</p> <p>Sharni Kamunga and Mark Peters - HLB Mann Judd and Jan-Michael Perez Manager Financial Audit VAGO Sophie Noronha Financial Auditor VAGO</p>		
Apologies	Tim Tamlin CEO, Councillor Fawcett		
Disclosures of interest	<p>Dr Irvine as a member of South Gippsland Water, Walkerville Foreshore Committee and Walkerville Residents Association. Theresa Glab as a member of the Audit Committee of the Shire of Baw Baw, Shire of Mitchell and City of Melbourne, and Board member of the Gippsland Waste and Resource Recovery Group. Dr Craig Nisbet is a member of the City Of Glen Eira Audit Committee.</p>		
Confirmation of report of previous meeting	Report of Meeting held on 19 May 2014. Committee confirmed report.		
Advise of possible breaches of legislation / compliance	Verbal update provided regarding section 186 Local Government Act 1989.		



Agenda Items

MEETING ITEM IS SCHEDULED FOR	Qtr. 1 Feb 2015	Qtr. 2 May 2015	Qtr. 3 Sep 2014	Qtr. 4 Nov 2014	Who	Report Next Due	Action
<p>1. Quarterly Performance Report Financial Performance Report Financial Performance Report July 2013 to June 2014</p> <p>Quarterly (Non-Financial) performance report Periodically compare actual outcomes, achievement of milestones and other KPIs as compared with the Council Plan, Annual Report and Budget – strategic indicators for monitoring the achievement of the strategic objectives. Quarterly Report: April – June 2014</p> <p>Local Government Performance Reporting Framework KPIs LGPRF KPIs</p>					Director Corporate Services	Sep 2014	Report noted. Finance Manager provided information about Asset Revaluation. Committee agreed that this report is no longer required however the Committee be provided with a website link to view this report and other reports that are generally made available that may be of interest to the Committee's activities. Committee suggested that they be provided a brief report containing a list of KPIs, what action is planned to achieve KPIs and status of progress to achieving KPIs. The Committee noted that progress with achieving the mandatory KPIs will be monitored by VAGO.
<p>2. Internal Control System Consider the effectiveness of Council's internal control system (including financial reporting), including Policy Review Timetable.</p>					Director Corporate Services	May 2015	Committee noted report not due.
<p>3. Risk Management 3.1 Risk Management Systems Monitor the systems and processes for risk management including status and content of</p>							



MEETING ITEM IS SCHEDULED FOR	Qtr. 1 Feb 2015	Qtr. 2 May 2015	Qtr. 3 Sep 2014	Qtr. 4 Nov 2014	Who	Report Next Due	Action
<p>corporate risk register and review Council's risk profile, including adequacy of mitigation actions.</p> <p>3.1.1 Strategic Risk Register</p> <p>3.1.2 Reports of the Strategic Risk Committee Strategic Risk Committee 29 April 2014</p>					<p>Manager Governance</p> <p>Manager Governance</p>	<p>Nov 2014</p> <p>Sept 2014</p>	<p>Committee noted report not due.</p> <p>Committee requested a further report on progress relating to recommendations from the Events Management Review.</p> <p>Committee requested that consideration be given to financial risk areas of underlying deficit, asset renewal and financial assumptions, in particular those related to developer contributions.</p>
<p>3.1.3 Quarterly report from a Director</p>					Relevant Director	Sept 2014	<p>Anthony Seabrook, Director Engineering Services provided overview of the following activities – OHS, staff skill levels, use of GPS, procurement, plant, succession planning, caravan parks, grant funded projects, asset renewal, buildings and underground drains.</p>
<p>3.2 Insurance Coverage Details of Council Insurance Cover required under section 76A Local Government Act 1989. Insurance Coverage report including a year by year comparison of premiums. 2014/2015 Insurance Report.</p>					Manager Governance Services	Sept 2014	<p>Committee noted report and sought assurance that members of the Committee were covered by Council insurances.</p>



MEETING ITEM IS SCHEDULED FOR	Qtr. 1 Feb 2015	Qtr. 2 May 2015	Qtr. 3 Sep 2014	Qtr. 4 Nov 2014	Who	Report Next Due	Action
3.3 Business Continuity Monitor effectiveness of business continuity planning including disaster recovery plan. Business Continuity Plan Project Report					Director Corporate Services	Sept 2014	Committees suggested that any Council participation in emergency exercises become part of the BCP as "scenario testing" and the Committee be briefed on post response evaluations to other emergencies e.g. storms as an additional way of testing the BCP. Committee requested that they be briefed on progress with the BCP at the November meeting of the Committee. Committee further requested that they be briefed on OHS and annual leave balances trends.
3.4 Fiduciary duty Review any reports concerning evidence of material violation or breaches of fiduciary duty.					Director Corporate Services	Nov 14 or as required	Committee noted nil report.
3.5 Fraud or possible illegal acts Review any instance of fraud or possible illegal acts.					Directors and Managers	Sept 2014	Verbal report on Fraud Awareness Training & Awareness Survey.
4. Internal Audit							
4.1 Planned Internal Audits Review internal audits and management action plans for implementation of recommendations.					Manager Governance Services	Sept 2014	Committee sought assurance that steps were being put in place to implement the recommendations. Committee noted that the Report had been delayed. Committee agreed that this review will be
Q3 Review Depot Management: Audit Report with Management Comments							
Q4 Data and Document Management Letter from Director Corporate Services to HLB Mann Judd							
Q1 2014/15: Road Management Review & Landfill							



MEETING ITEM IS SCHEDULED FOR	Qtr. 1 Feb 2015	Qtr. 2 May 2015	Qtr. 3 Sep 2014	Qtr. 4 Nov 2014	Who	Report Next Due	Action
Capacity Management: Draft Audit Scope							confined to the Road Management Act, suggested that the Landfill Review is scheduled for consideration in 15/16 and in the meantime the Committee will be provided with a briefing paper about landfill management and the 2027 Master Plan.
4.2 Internal Audit Plan 2014 / 2015 Internal Audit Plan: with draft high level scopes for 14 / 15 reviews					Manager Governance Services	May 2015	<p>Committee noted that at the May 2014 meeting the Committee requested Briefing papers be prepared in respect of Coal Creek Management; and Developer approval contributions, Asset management and Revenue leakage from time of issue of building approvals to issuing of rates notice may be considered as possible reviews in the future.</p> <p>The Committee asked that the following matters be included in the scope of reviews.</p> <ul style="list-style-type: none"> • Caravan Park – cash handling, OHS and procurement • Information Technology – an analysis of investment outcomes i.e. is Council getting what it asked for • Accounts payables – negative payments <p>Staff indicated that external reviews e.g. VAGO IT Review and Information Management STEP program will be included in the Plan.</p>



MEETING ITEM IS SCHEDULED FOR	Qtr. 1 Feb 2015	Qtr. 2 May 2015	Qtr. 3 Sep 2014	Qtr. 4 Nov 2014	Who	Report Next Due	Action
4.3 Audit recommendation implementation Consider status of implementation of internal audit recommendations and agreed management action plans.					Manager Governance Services	Nov 14	Committee noted report not due.
4.4 Internal audit function review Review the internal audit function (internal auditor services/performance), monitor satisfaction with internal audit service. Example KPIs Melbourne City Draft KPIs based on HLB Mann Judd contract					Manager Governance Services	Sept 2014	Committee notes that 13/14 review will be presented to November 14 meeting to guide whether the last 1 year extension will be granted for the 15/16 Financial Year. Committee agreed that the KPIs be grouped into categories of: <ul style="list-style-type: none"> • Staff Capability • Development of an Audit Plan • Individual Audit Planning • Audit Delivery • Quality of Output • Stakeholder Engagement • Value Added
4.5 Internal audit function independence Monitor processes and practices to ensure the independence of the internal audit function. Letter of Independence from Internal Auditor					Manager Governance Services	Sept 2014	Committee noted letter of independence from HLB Mann Judd.
4.6 Opportunity to meet with internal auditor Provide an opportunity for the audit committee to meet with the internal auditor without management.					Manager Governance Services	As required	Committee noted that they met with the Internal Auditor during closed session.
5. External Audit							
5.1 External auditor proposed audit scope External auditor's proposed audit scope and strategy					Manager Finance	Feb 2015	Committee noted report not due.
5.2 Annual financial report review Review the annual financial report including external auditor's view on the control environment, results of annual external audit, communication required under					Manager Finance	Sept 2014	The Committee recommended to Council that the Financial Statements are approved subject to minor amendments agreed with VAGO today.



MEETING ITEM IS SCHEDULED FOR	Qtr. 1 Feb 2015	Qtr. 2 May 2015	Qtr. 3 Sep 2014	Qtr. 4 Nov 2014	Who	Report Next Due	Action
Australian Auditing Standards & management letters. Annual Financial Report 2014 / 2015							
5.3 VAGO Financial Management Letter VAGO Financial Management letter for final audit for financial year 2013/14.					Director Corporate Services	May 2015	Committee noted that report not due.
5.4 External audit discrepancies Resolve any disagreement between management and the external auditors in financial reporting.					Director Corporate Services	Sept 2014	See 5.2 above.
5.5 External Accreditations e.g. HACCC					CEO	As required	Nil report.
As required							
6. Compliance							
6.1 Compliance reports Obtain updates on compliance matters including Freedom of Information, Privacy, Returns of Interest, Procurement and Gifts and Donations.					Manager Governance Services	Nov 2014	Committee noted that report not due.
6.2 Compliance systems and processes Review the systems and processes for monitoring compliance with legislation and regulations.					Manager Governance Services	Feb 2015	Committee noted that report not due.
6.3 Regulatory updates Keep informed of the findings of any examinations by regulatory agencies including Ombudsman, IBAC and Local Government Inspectorate.					Manager Governance Services	As required	Committee noted nil report.
6.4 Protected disclosure Review protected disclosure arrangements and reports.					CEO	Nov 2014	Committee noted report not due.
7. Reporting responsibilities							
7.1 Audit Committee reports regularly to Council.					Manager Governance Services	Sept 2014	Committee noted that 19 May 2014 Audit Committee Minutes were reported to Council on 23 July 2014.
7.2 Audit Communications Monitor that open communication between the internal auditor, the external auditor and Council					CEO	As required	
As required							



MEETING ITEM IS SCHEDULED FOR	Qtr. 1 Feb 2015	Qtr. 2 May 2015	Qtr. 3 Sep 2014	Qtr. 4 Nov 2014	Who	Report Next Due	Action
occurs: 7.3 Audit Chair Annual Report Report annually via Chair's report to Council. SGSC 2013 / 2014 Annual Report- Audit Committee Section					Chair	Nov 2014	Committee noted that this report would be edited before publication in Council's Annual Report.
8. Assessment of financial information							
8.1 Significant accounting and reporting issues.							
	As required				Manager Finance	As required	Committee noted nil report.
8.2 Review attestations Including Best Value and National Competition Policy. 2013 / 2014 Annual Report- Attestations					Manager Governance Services	Sept 2014	Committee noted attestations
9. General							
9.1 Establish number of meetings for forthcoming year.							
					Manager Governance Services	Sep 2014	Committee noted proposed meeting dates for 2015. 16 February 2015 18 May 2015 7 September 2015 16 November 2015 Report not due.
9.2 Review effectiveness of Secretariat support performance.					Manager Governance Services	Nov 2014	Committee noted that in the future the two Councilor members of the Committee and the CEO will conduct this review. Committee noted that the fees increased by 2.5% in line with the the 2.5% increase to Councilors allowances effective from the February 2014 meeting to \$385 for Independent Members and \$435 for the Chair.
9.3 Committee performance and fees Perform an assessment of the Committee's performance (and fees for budget consideration). Self -Assessment Form					Manager Governance Services	Sept 2014	Committee agreed that the self- Committee agreed that the self-



MEETING ITEM IS SCHEDULED FOR	Qtr. 1 Feb 2015	Qtr. 2 May 2015	Qtr. 3 Sep 2014	Qtr. 4 Nov 2014	Who	Report Next Due	Action
9.4 Committee Chair Consideration and recommendation of Committee Chair for appointment by Council for the next calendar year.					Manager Governance Services	Nov 2014	assessment can be completed out of meeting and extended to include feedback from the external auditors, management and internal auditors. Committee noted that report not due and Council on 18 December 2013 appointed Therese Glab Committee Chair (Independent) for 2014.
9.5 Independent Committee Membership Confirmation of Independent Members and Terms of Office	As required.				Manager Governance Services	Sept 2014	The terms of the Independent Committee Members are: Craig Nisbet – appointed by Council in March 2010 for an initial term ending 31 December 2010 and reappointed in December 2010 for a first 3 year term concluding in December 2013. Craig Nisbet re-appointed Independent Member for a second and final three year term by Council on 27 November 2013, will conclude in December 2016. Theresa Glab – appointed by Council in December 2011 for an initial 3 year term concluding on 30 November 2014. Irene Irvine – appointed by Council in December 2012 for an initial 3 year term concluding on 30 November 2015. Committee noted report not due and that the updated Charter was adopted by Council at the 18 December 2013 Ordinary Council Meeting.
9.6 Audit Committee Charter Review and assess the adequacy of the Audit Committee Charter annually and confirm all charter responsibilities have been carried out.					Manager Governance Services	Nov 2014	
10. General Business							
11. Close / Next meetings - 1 December 2014, 16 February 2015, 18 May 2015, 7 September 2015 and 16 November 2015.							

SECTION D – PROCEDURAL REPORTS

D.1 REPORT ON ASSEMBLY OF COUNCILLORS - SEPTEMBER 2014

Corporate Services Directorate

EXECUTIVE SUMMARY

As part of Council's ongoing efforts to enhance community engagement in Council processes, matters discussed at Councillor Briefing Sessions (other than those matters designated to be of a confidential nature) are reported on at Ordinary Council Meetings.

The matters listed in this report were presented or considered at either an Advisory Committee Meeting, Councillor Strategic Briefing Session or Public Presentation Session in September 2014.

Copies of responses to written questions presented and asked, that were not answered at the meetings, will be either provided as an attachment to this report or to a subsequent Council Meeting, as is practicable, to enable the development of a proper and informed response.

Document/s pertaining to this Council Report

Nil

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989, Section 3D and Section 80A

COUNCIL PLAN

Outcome:	4.0	A Leading Organisation
Objective:	4.2	Pursue best practice in organisational development and operations of the organisation.
Strategy:	4.2.2	We will monitor corporate governance processes, including risk management and skills development with the aim of ongoing improvement.

REPORT

Meeting Title	Councillors Attending and Disclosures of Conflict of Interest	Topics Discussed
Wednesday 3 September 2014		
Financial Sustainability Steering Committee	<p>Councillors Attending: Crs Hill, Harding, Brunt, Hutchinson-Brooks and Davies.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed:</p> <ul style="list-style-type: none"> • Aquatic Strategy review scoping document • Visitor Information Centre • Coal Creek • 15 Year Capital Works Program new review procedure
Planning Committee	<p>Councillors Attending: Crs Davies, Newton, Hill, Hutchinson- Brooks, Harding and Brunt.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed:</p> <ul style="list-style-type: none"> • Decisions for July 2014 • VCAT decisions July 2014 • Statutory Planning Applications • Strategic Planning and Development Projects • General Business
Yannathan Road, Nyora - redevelopment	<p>Councillors Attending: Crs Hutchinson-Brooks, Brunt, Newton, Harding, Davies and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed: Councillors were provided information on the proposed rezoning of the land from Farming Zone to Rural Living Zone.</p>
Council Timetable for Sept/ Oct 2014	<p>Councillors Attending: Crs Hutchinson-Brooks, Brunt, Newton, Harding, Davies and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed: Councillors were provided information on the Councillor timetable for September and October 2014.</p>
Executive Update	<p>Councillors Attending: Crs Hutchinson-Brooks, Brunt, Newton, Harding and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed:</p> <ul style="list-style-type: none"> • Korumburra Children's Centre • Transfer station complaint • Leongatha Railway yard

Meeting Title	Councillors Attending and Disclosures of Conflict of Interest	Topics Discussed
Wednesday 3 September 2014		
Active Retirees Advisory Committee	<p>Councillors Attending: Crs Davies</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed:</p> <ul style="list-style-type: none"> • Public Transport • Seniors Week • Technology
Municipal Precinct Study	<p>Councillors Attending: Crs Hutchinson-Brooks, Brunt, Newton, Harding and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed: Councillors were provided information on Consultant Service Specification for the Municipal Precinct Study.</p>
Depot Maintenance Techniques for Unsealed Roads	<p>Councillors Attending: Crs Hutchinson-Brooks, Brunt, Newton, Harding and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed: Councillors were provided information on maintenance practices and techniques for Council's unsealed road network.</p>
Wednesday 17 September 2014		
Economic Development and Tourism Steering Committee	<p>Councillors Attending: Crs Hutchinson-Brooks, Harding, Brunt, McEwen, Kennedy and Davies.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed:</p> <ul style="list-style-type: none"> • Collaboration and Engagement with Stakeholders • Revised Draft Economic Development and Tourism Strategy • Branding for South Gippsland • Tarwin Valley Development Group
Social Community Infrastructure Committee	<p>Councillors Attending: Crs Fawcett, Davies, Brunt, McEwen and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed:</p> <ul style="list-style-type: none"> • Outcome of public exhibition period and submission from West Gippsland Regional Library Corp • Review of minor amendments made to Blueprint actions • Stage 2 of project • Scoping document to engage a consultant for Stage 2

Meeting Title	Councillors Attending and Disclosures of Conflict of Interest	Topics Discussed
Wednesday 17 September 2014		
Council Annual Plan and Budget Timetable and Consultation Plan	<p>Councillors Attending: Crs Hutchinson-Brooks, McEwen, Brunt, Newton, Harding, Davies, Hill and Kennedy.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed: Councillors were provided information on the forthcoming Council Budget alignment with new legislated dates and also Council's desire to make changes to S223 community consultation process and other engagement opportunities with the community.</p>
<p>Public Presentations</p> <p>OPEN DAY SESSION</p>	<p>Councillors Attending: Crs Hutchinson-Brooks, McEwen, Brunt, Newton, Fawcett, Hill and Kennedy.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Presentations were made to Council by the following community members:</p> <p>Mr Steven Rath, regarding pedestrian path to Leongatha railway area.</p> <p>Ms Thea Dent regarding E.1 PLANNING SCHEME AMENDMENT C99 BURRA FOODS BUFFER.</p> <p>Mr Grant Crothers, regarding E.1 PLANNING SCHEME AMENDMENT C99 BURRA FOODS BUFFER.</p> <p>Ms Marg Thomas regarding Coal Seam Gas.</p>
Council Agenda Topic Discussion 24 September 2014	<p>Councillors Attending: Crs Hutchinson-Brooks, McEwen, Brunt, Newton, Harding, Davies, Hill and Kennedy.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed: Ordinary Council Agenda Topics 24 September 2014</p>

Meeting Title	Councillors Attending and Disclosures of Conflict of Interest	Topics Discussed
Wednesday 17 September 2014		
Executive Updates	<p>Councillors Attending: Crs Hutchinson-Brooks, McEwen, Brunt, Newton, Harding, Davies, Hill and Kennedy.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed:</p> <ul style="list-style-type: none"> • Community Health issue • Proposed SGSC to Host SEATS 2015 • Planning Enforcement update • Regulatory Authorities - Koonwarra Landfill update • Annual Financial Report - feedback from Auditor General and Audit Committee • Court Proceedings update
<p>Public Presentations</p> <p>OPEN EVENING SESSION</p>	<p>Councillors Attending: Crs Hutchinson-Brooks, Brunt, Newton, Fawcett, Hill and Kennedy.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Presentations were made to Council by the following community members: Mr Les Guilfoil, Viv Pepper, Elizabeth Jones, Mr Glenn Brown, Ms Christine McKenzie regarding E.1 PLANNING SCHEME AMENDMENT C99 BURRA FOODS BUFFER.</p>
Wednesday 24 September 2014		
<p>Council Agenda Discussion 24 September 2014</p>	<p>Councillors Attending: Crs Hutchinson-Brooks, McEwen, Brunt, Newton, Fawcett, Harding, Davies, Hill and Kennedy.</p> <p>Conflict of Interest: Nil disclosed.</p>	<p>Topics Discussed: Ordinary Council Agenda Topics 24 September 2014</p>

Meeting Title	Councillors Attending and Disclosures of Conflict of Interest	Topics Discussed
Wednesday 24 September 2014		
<p>Public Presentation Session</p> <p>OPEN SESSION</p>	<p>Councillors Attending: Crs Hutchinson-Brooks, McEwen, Brunt, Newton, Fawcett, Harding, Davies, Hill and Kennedy.</p> <p>Conflict of Interest:</p> <p>Cr Fawcett left the public presentation with a conflict of interest in the item regarding Poowong, Nyora and Loch, sewerage scheme, as he has an indirect conflict of duty.</p> <p>Presentations were made to Council by the following community members:</p> <p>Mr Charlie Taglifero, regarding submitting a petition to Council on behalf of the residents of Nyora in relation to having Loch, Nyora and Poowong sewerage voluntary scheme available for a payment plan, similar or the same as the compulsory Loch, Nyora and Poowong sewerage scheme.</p> <p>Mr Paul Norton regarding Leongatha pedestrian walkway and submitted questions for question time in the Ordinary Council Meeting 24 September 2014, 2pm.</p>	
Municipal Precinct Study	<p>Councillors Attending: Crs Hutchinson-Brooks, Brunt, Newton, Harding, Hill, Davies and Kennedy.</p> <p>Conflict of Interest:</p> <p>Nil disclosed.</p>	<p>Topics Discussed:</p> <p>Councillors were provided information on Consultant Service Specification for the Municipal Precinct Study.</p>
Amendment C89, 2075 Walkerville Road, Walkerville	<p>Councillors Attending: Crs Hutchinson-Brooks, Brunt, Newton, Harding, Hill, Davies and Kennedy.</p> <p>Conflict of Interest:</p> <p>Nil disclosed.</p>	<p>Topics Discussed:</p> <p>Councillors were provided information on planning application proposing rezoning from Farming Zone to Rural Living Zone and Special Use Zone.</p>

Meeting Title	Councillors Attending and Disclosures of Conflict of Interest	Topics Discussed
Friday 26 September 2014		
Access and Inclusion Advisory Committee	Councillors Attending: Cr Newton Conflict of Interest: Nil disclosed.	Topics Discussed: <ul style="list-style-type: none">• Disabled Parking Spaces, Distribution of Tradies and Renovators Guide, Pathways in Foster• Disability Achievement Awards in Council Australia Day Awards and for Committee to seek support of Road Safety Advisory Group to support the provision of Tactile Ground Surface Indicators in McCartin Street:• Council Disability Access Awareness Training• Council Disability Action Plan

RECOMMENDATION

That Council receive and note this report.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Newton

SECONDED: Cr Davies

THAT THE RECOMMENDATIONS IN ITEMS D.1, D.2 AND D.3 BE ADOPTED.

CARRIED UNANIMOUSLY

D.2 COUNCILLOR DISCRETIONARY FUND ALLOCATION REPORT

Corporate Services Directorate

EXECUTIVE SUMMARY

Each Councillor, subject to an annual budget and in accordance with the Councillor Discretionary Fund Policy, has the discretion to nominate Council funds to community groups and / or individuals in accordance with the guidelines developed for this purpose.

This report details Councillors allocations for the period between 3 September 2014 and 30 September 2014.

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Councillor Discretionary Fund Policy 2014

COUNCIL PLAN

Outcome:	2.0	Closely Connected Communities
Objective:	2.1	Engage and work collaboratively with our community
Strategy:	2.1.3	We aim to minimise barriers and find ways to support our volunteers, community groups and committees to provide services beyond those that Council, by itself, can provide.

REPORT

The following applications have been allocated funding from the Councillor's 2014/2015 Discretionary Fund for the period between 3 September 2014 and 30 September 2014.

- Venus Bay Community Centre Inc.: To assist with costs of running the 2013/2014 Venus Bay Free Summer Beach Shuttle Service.

Cr Kieran Kennedy - \$1,000

- Friends of Venus Bay Peninsula Inc.: For purchase of three purpose built cages for wildlife in South Gippsland.

Cr Kieran Kennedy - \$1,000

- Poowong Consolidated School: Sponsorship towards the Pathways to Possibilities project - specifically the sustainable food production component.

Cr Lorraine Brunt - \$500

- Poowong Tennis Club: To assist with the cost of pressure cleaning the courts as a result of drainage works recently completed.

Cr Lorraine Brunt - \$400

Cr Robert Newton - \$300

Cr Andrew McEwen - \$300
- Meeniyan Dumbalk United Cricket Club: To assist with the costs of installing a reverse cycle air conditioner.

Cr Andrew McEwen - \$270
- Leongatha Primary School: To cover the cost of hiring the Memorial Hall for a fundraising event with proceeds going towards the construction of a basketball court.

Cr James Fawcett - \$180

Cr Don Hill - \$180

Cr Nigel Hutchinson-Brooks - \$180
- Loch Memorial Reserve: To assist with the costs to write and publish a booklet regarding the history of the Loch Memorial Recreation Reserve.

Cr Lorraine Brunt - \$200

Cr Robert Newton - \$200

Cr Andrew McEwen - \$200
- Leongatha Rotary Club: To assist with the costs of installing a concrete cross over in the kerb at the Leongatha Rotary Club Storage Shed.

Cr James Fawcett - \$800
- Mirboo North Arts Council Inc.: To assist with purchase of materials for stage repairs.

Cr Don Hill - \$200

Cr Nigel Hutchinson-Brooks - \$200
- Casey Comets Ladies Soccer Club: Sponsorship for local Olivia Methven to participate in a Victorian Under 18 Girls self-funded tour of Singapore.

Mayor Cr James Fawcett - \$200

FINANCIAL CONSIDERATIONS

Each Councillor is allocated \$4,000 from the Councillor Discretionary Fund in the 2014/2015 Financial Budget. An additional \$2,000 has been allocated to the Mayor to cover a broader focus across the entire Municipality.

CONCLUSION

The unexpended Councillor Discretionary Funds for the 2014/2015 Financial Year as at 30 September 2014 is as follows:

- Cr Mohya Davies - \$3,320
- Cr Jeanette Harding - \$2,900
- Cr Kieran Kennedy - \$2,250
- Cr Lorraine Brunt - \$1,825
- Cr Robert Newton - \$2,423
- Cr Andrew McEwen - \$2,520
- Cr James Fawcett - \$2,290
- Cr Don Hill - \$3,520
- Cr Hutchinson-Brooks - \$3,520
- Mayoral Fund - \$1,800

RECOMMENDATION

That Council receive and note this report.

STAFF DISCLOSURE OF INTEREST

Nil

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion, refer to page 43.

D.3 DOCUMENTS SEALED AND CONTRACTS AWARDED UNDER CHIEF EXECUTIVE OFFICER DELEGATION - SEPTEMBER 2014

Corporate Services Directorate

EXECUTIVE SUMMARY

Under the Victorian Local Government Act, each Council is a body corporate and a legal entity in its own right. Each Council must have a common seal (like any corporate entity) 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 include agreements, contracts, leases or any other contractual or legally binding document that binds Council to another party.

Council's Procurement Policy requires that Council be advised of the award of contracts after a public tender process that fall within the Chief Executive Officer's delegation.

LEGISLATIVE/ ACTION PLANS/ STRATEGIES/ POLICIES

- Local Government Act 1989 - Section 5 and 186
- Local Law No. 3 2010
- South Gippsland Shire Council Procurement Policy
- South Gippsland Shire Council Instrument of Delegation to the Chief Executive Officer

COUNCIL PLAN

Outcome:	4.0	A Leading Organisation.
Objective:	4.2	Pursue best practice in organisational development and operations of the organisation.
Strategy:	4.2.2	We will monitor corporate governance processes, including risk management and skills development with the aim of ongoing improvement.

REPORT

Documents Sealed

The Local Government Act 1989 requires that every Council must have a common seal and all courts, judges and persons acting judicially must take judicial notice of the imprint of the common seal of a Council on any document.

Local Law No. 3 2010, Part 9, Section 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.’

In accordance with the Local Law, the following are presented to Council as documents sealed in the month of September 2014.

1. Section 173 Agreement between South Gippsland Shire Council and the Owners of Jumbunna Road, Korumburra in relation to development contributions regarding the creation of rezoned residential lots – Seal Applied 9 September 2014.
2. Section 173 Agreement between South Gippsland Shire Council and the Owners of 12 Burrows Way, Tarwin Lower in relation to the development and use of a dwelling and ancillary works – Seal Applied 9 September 2014.
3. Contract SGC15/11 Construction of Footpath and Kerb & Channel Renewals – Various Locations between South Gippsland Shire Council and Sure Constructions (Vic) Pty Ltd– Seal Applied 11 September 2014.
4. Section 173 Agreement between South Gippsland Shire Council and the owners of 13-15 Graeme Grove, Sandy Point in relation to a single dwelling – Seal Applied 16 September 2014.
5. Local Government Funding Vehicle Program Trust Deed Loan Agreement between MAV and South Gippsland Shire Council as per Council Resolution 28 May 2014 – MAV Debt Procurement Project – Seal Applied 19 September 2014.
6. Section 173 Agreement between South Gippsland Shire Council and the owners of 180 Millar Road, Yanakie in relation to a two lot subdivision – Seal Applied 22 September 2014.
7. Section 173 Agreement between South Gippsland Shire Council and the owners of 7 McIndoe Avenue, Venus Bay in relation to the construction of a dwelling and native vegetation removal – Seal Applied 30 September 2014.

Contracts

Contracts Awarded Under Chief Executive Officer Delegation

The Chief Executive Officer's delegation of power from the Council allows the Chief Executive Officer to award contracts up to the value of \$250,000 (inclusive of GST) after a public tender process, subject to the exercise of this power being reported to the Council meeting after the contract is awarded.

All of the legislative requirements of section 186 of the Local Government Act 1989 and the requirements of Council's Procurement Policy are met in respect of the tender/s.

Procurement Policy requires recording in the Council Minutes all contracts over the statutory threshold set out in the Local Government Act 1989 (\$150,000 inclusive of GST for goods and services and \$200,000 inclusive of GST for works) for a public tender which shows the contracts purpose, a brief description of the goods, services and works that is being procured, the successful tenderer and the total contract price.

The following Contracts have been awarded under the Chief Executive Officer's delegation this month:

- Contract SGC15/12 Supply and Delivery of Guardrail – Various Locations – awarded to Safety Barrier Solutions Pty Ltd.
- Contract SGC15/14 Design, Supply and Construction of Lighting Poles (including Commissioning) – Mirboo North Soccer Club, Walter J Tuck Reserve Mirboo North.

Contract variations approved by the Chief Executive

The following variations to contracts are reported to Council in accordance with a requirement of Council's Procurement Policy for variations which either exceed the total contract budget or involve significant changes to a contract scope or timelines in respect of contracts approved by Council.

There are no contract variations to report.

RECOMMENDATION

That Council receive and note this report.

STAFF DISCLOSURE OF INTEREST

Nil

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion, refer to page 43.

SECTION E - COUNCIL REPORTS

E.1 PLANNING SCHEME AMENDMENT C52 (PART 2) JUMBUNNA ROAD KORUMBURRA - REZONING FROM THE FARMING ZONE TO THE GENERAL RESIDENTIAL ZONE 1

Development Services Directorate

EXECUTIVE SUMMARY

Planning Scheme Amendment C52 (Part 2) proposes to rezone 13ha on the southern side of Jumbunna Road Korumburra (**Attachment 1**) from Farming Zone to the General Residential Zone 1, to apply a Development Plan Overlay and delete the Environmental Significance Overlay Schedule 5 (Land Susceptible to Erosion). The subject land includes two existing dwelling sites that have been included in the Amendment for the purpose of precinct based zone application. A small parcel of land owned by the Education Department is to be rezoned Public Use 2 (Education) to correct a mapping error.

Amendment C52 (Part 2) implements the same planning controls (excluding the Public Use 2 area) as Amendment C52 (Part 1) which was adopted by Council in December 2013.

Adoption of Amendment C52 (Part 2) will complete Amendment C52 and rezone for residential development the last significant greenfield development site in the south western growth area of Korumburra.

Document/s pertaining to this Council Report

- **Attachment 1** - Amendment C52 (Parts 1 & 2) subject land
- **Attachment 2** - Development Plan Overlay Schedule 7 - Jumbunna Road Korumburra
- **Attachment 3** - Official Amendment C52 (Part 2) maps.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Planning and Environment Act 1987

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Nil

COUNCIL PLAN

Outcome:	1.0	A Prosperous Shire
Objective:	1.1	Work with the business community to support existing businesses, diversity employment opportunities and to attract new businesses.
Strategy:	1.1.1	We will actively plan for growth and economic development.

CONSULTATION

Consultation was undertaken in accordance with statutory requirements. The Planning Scheme Amendment has been formally exhibited for a period of 4 weeks and submissions were heard by an Independent Planning Panel which sat at Korumburra for 3 days in September 2012.

Adjoining landowners and submitters to Amendment C52 have received postal notification at each critical stage in the assessment of both parts of the Amendment.

REPORT

Background

Exhibition of Amendment C52 occurred in April 2010. A total of 27 submissions were received. The issues raised in the submissions were discussed in a Council Report on 22 September 2010. Additional public exhibition occurred in June 2012 prior to the Amendment being referred to an Independent Planning Panel (Panel). The Panel Report was received in November 2012 and recommended that Council adopt the Amendment subject to changes to the Development Plan Overlay Schedule 7(DPO7) regarding development contributions.

Council resolved at the 19 December 2012 Council Meeting to receive the Panel Report and request the Minister for Planning approve a 12 month extension of time to adopt Amendment C52. The additional time was required to negotiate a development contributions agreement with the landowners.

A development contributions agreement was secured with the owner of the land north of Sommers Crescent, allowing Council to adopt this element of the Amendment (known as Amendment C52 (Part 1)) at the 18 December 2013 Council Meeting. Splitting the Amendment into two parts allowed Council to continue discussions with the owner and developer of the land south of Sommers Crescent in order to secure a development contributions agreement.

The owner of the Amendment C52 (Part 2) land, and a representative of the development company, recently signed a development contributions agreement with Council. The agreement has been registered on the land title and secures a contributions payment to Council related to the release of new

residential lots. Enactment of the agreement removes the last impediment to Council's adoption of Amendment C52 (Part 2). The Amendment must be adopted by Council prior to 27 November 2014, after which date the Amendment officially lapses and cannot be adopted by Council.

Discussion

The planning scheme merits of Amendment C52 have been discussed in the above-mentioned Council Reports (available on Council's webpage) and in detail in the Panel Report (see Council Report 19 December 2012 - **Appendix 1**). In summary, the subject land is moderately undulating, free of environmental constraints, surrounded by urban zoned land and suitable for subdivision and development at normal township densities (lots under 1,000sqm).

The subdivision of the land will be guided by the provisions of the DPO7, which include requirements directly related to matters raised by adjoining landowners in their objections to the Amendment. A commitment has been made to consult with the adjoining landowners during the preparation of the Development Plan for the subject land. The Development Plan must be approved by Council before a planning permit can be issued for the subdivision of the land.

Adoption of Amendment C52 (Part 2) will complete the rezoning process for the south western residential growth area of Korumburra.

Options

Council has the option of adopting or abandoning Amendment C52 (Part 2). The Amendment proponent has fulfilled Council's requirements in relation to development contributions and there are no planning issues that would support abandoning the Amendment.

Proposal

It is proposed the Council adopt Planning Scheme Amendment C52 (Part 2) and submit the Amendment to the Minister for Planning for approval.

FINANCIAL CONSIDERATIONS

All financial costs associated with this Amendment have been met by the landowner.

RISKS

There are no risks to Council directly associated with adoption of Amendment C52 (Part 2).

CONCLUSION

With an agreement being reached with the landowner and development company in relation to the provision of appropriate development contributions, it is recommended the Council adopt Planning Scheme Amendment C52 (Part 2).

RECOMMENDATION

That Council:

1. Adopt Planning Scheme Amendment C52 (Part 2) in accordance with the Amendment provisions detailed in Attachments 2 and 3.
2. Submit Planning Scheme Amendment C52 (Part 2) to the Minister for Planning for approval.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Brunt

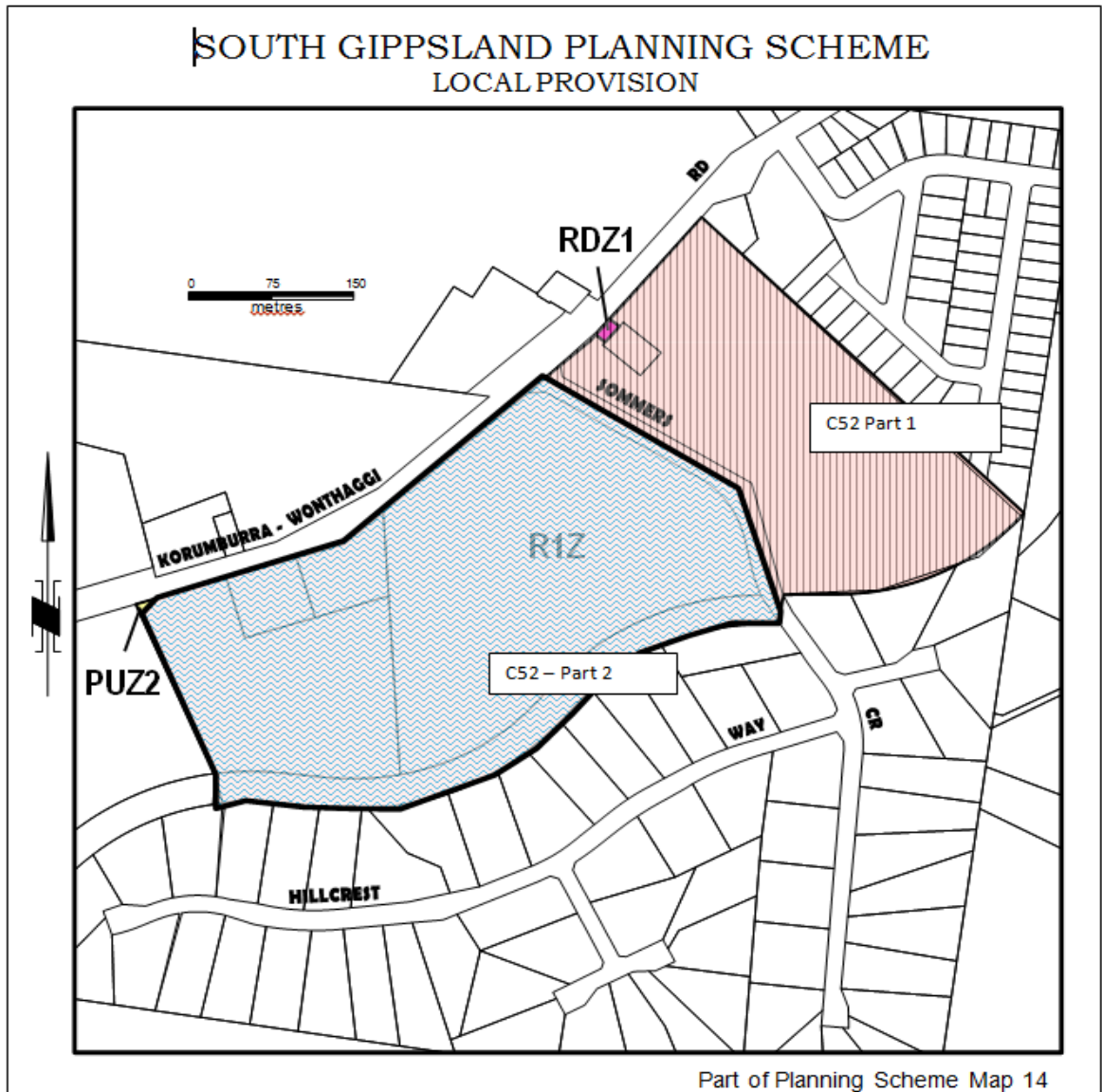
SECONDED: Cr Harding

THAT COUNCIL:

1. **ADOPT PLANNING SCHEME AMENDMENT C52 (PART 2) IN ACCORDANCE WITH THE AMENDMENT PROVISIONS DETAILED IN ATTACHMENTS 2 AND 3.**
2. **SUBMIT PLANNING SCHEME AMENDMENT C52 (PART 2) TO THE MINISTER FOR PLANNING FOR APPROVAL.**

CARRIED UNANIMOUSLY

Attachment 1 - Amendment C52 (Parts 1 & 2) subject land



Attachment 2 Development Plan Overlay Schedule 7 - Jumbunna Road Korumburra

Note: This control was initially included into the South Gippsland Planning Scheme with the approval of Amendment C52 (Part 1). The same controls are being applied to the Amendment C52 (Part 2) land.

SOUTH GIPPSLAND PLANNING SCHEME

C52(Part 2) **SCHEDULE 7 TO THE DEVELOPMENT PLAN OVERLAY**

Shown on the planning scheme map as **DPO7**.

JUMBUNNA ROAD RESIDENTIAL AREA

C52(Part 2) **1.0 Requirement before a permit is granted**

A permit may be granted before a development plan has been prepared to the satisfaction of the Responsible Authority for the following:

- A minor extension, minor addition or minor modification to an existing development that does not prejudice the future orderly development of the general area affected by the Development Plan Overlay to the satisfaction of the Responsible Authority.
- Buildings and works associated with the Jumbunna Road bus depot provided the buildings and works are contained within the established development footprint or immediate surrounds to the satisfaction of the Responsible Authority
- The use and development of land for agriculture provided it is minor in nature and does not prejudice the future residential use and development of the land, or the residential amenity of surrounding areas.
- The use, development & subdivision of land by a public authority or utility provider.

C52(Part 2) **2.0 Conditions and requirements for permits**

Before deciding on an application to subdivide land, construct buildings, or carry out works, the Responsible Authority must consider, as appropriate:

- Whether the development of the land is occurring in an efficient and orderly manner having regard to essential services, community facilities, open space and roads.
- The potential for future re-subdivision.
- The interface between proposed and existing nearby developments, to reduce the chance of conflicting developments, including in relation to the Bus Depot site.
- The need to minimise access points to Jumbunna Road.
- The design of any proposed buildings to enhance and reinforce the character of the area.
- The timing and staging of the development of the land.
- The consistency of the proposed development with the approved development plan.
- The consistency of the proposed development with the adopted Korumburra Structure Plan, where relevant.
- Any other matter, as deemed appropriate by the Responsible Authority, which the development plan should take account of based on the specific character of the land.
- The requirement for building envelopes, agreements or covenants to be registered on newly created titles to achieve the lot development restrictions set out in the development plan.
- An assessment against the requirements of Clause 56 of the South Gippsland Planning Scheme.

Development and community infrastructure

Prior to the issuing of a Statement of Compliance (or otherwise agreed to in writing by the Responsible Authority), the landowners may enter into an agreement with the Responsible

DEVELOPMENT PLAN OVERLAY – SCHEDULE 7 PAGE 1 OF 5

SOUTH GIPPSLAND PLANNING SCHEME

Authority pursuant to section 173 of the Planning and Environment Act 1987 or other mechanisms approved by Council. Any such agreement should make provision for contributions to be made by the owners towards the provision of development and community infrastructure on public land (including the provision of land and/or the payment of financial levies) required as a consequence of the subdivision of the land.

Bus Depot development requirements

Any planning permit which creates residential lots or approves a sensitive use in the DPO7 area within 50 metres of the Jumbunna Road bus depot site may include a condition to restrict (through an appropriate restriction on title) the use of these lots for dwellings or other sensitive uses until such time as the bus depot is no longer in operation and its existing use rights are expired.

The following requirement applies to the use or development of the Jumbunna Road bus depot site:

Before a sensitive use (e.g. residential use, child care centre, pre-school centre or primary school) commences or before the construction or carrying out of buildings and works in association with a sensitive use commences, either:

- A certificate of environmental audit must be issued for the land in accordance with Part IXD of the Environment Protection Act 1970, or
- An environmental auditor appointed under the Environment Protection Act 1979 must make a statement in accordance with Part IXD of that Act that the environmental conditions of the land are suitable for the sensitive use.

Fencing requirement

A planning permit which creates residential lots adjoining land in the Low Density Residential Zone or Lot 1 LP134693 or Lot 3 LP135303 must include a condition requiring fencing along the boundary of these lots. Fencing must be a minimum 1.8m high solid fence to be provided at the developer's expense and constructed prior to the issue of Statement of Compliance for the subdivision of the land.

3.0

*Development
CS20 Part 2)*

Requirements for development plan

The development plan must be prepared to the satisfaction of the Responsible Authority.

The development plan may be approved in stages. Each development plan stage must represent a logical land development unit bounded by roads, natural features or the boundaries of the Development Plan Overlay map area.

The development plan must show / provide:

Land use and subdivision layout

- The proposed boundaries of the development area, and provide the strategic justification for those boundaries.
- The overall subdivision of the area, including where possible, the proposed size and density of allotments which provide opportunities for a diverse range of housing types.
- The provision of a sensitive residential interface with adjoining residential land and the school. Lots directly adjoining the Low Density Residential Zone (LDRZ) should have a minimum rear boundary width at the LDRZ boundary of an average of 20m and not less than 18 metres, and avoid (where possible) the creation of more than 2 new lots directly adjoining each established LDRZ lots. Buildings must be setback a minimum of 7m from the zone boundary.
- For lots with a primary frontage to Jumbunna Road and Sommers Crescent provide:
 - Minimum lot frontage of 18m

SOUTH GIPPSLAND PLANNING SCHEME

- Minimum building front setback of 7m
- The provisions of a 2.5m wide reserve (unencumbered by landscaping or development) adjoining the southern side of Jumbunna Road to facilitate future widening of the shared pedestrian footpath to the school.
- A street networks that limits the creation of new road access points onto Jumbunna Road and support building frontages with two way surveillance.
- The overall pattern of development of the area, including any proposed re-zoning of land and proposed land uses.

Earthworks and Land Form

- Where steeply sloping land exists on the site, the development plan shall detail how the proposed design responds to the topography and contours of the land and whether significant earthworks are likely to be required for subdivisions to ensure good development design outcomes are achieved. Where land exceeds a slope of 15% a geotechnical report must be prepared by an appropriately qualified person demonstrating the suitability of the land for development.

The report must provide sufficient detail to ensure environmental, access and amenity issues are appropriately addressed. The report should detail whether building envelopes or other controls are likely to be required at the subdivision stage.

Infrastructure Services

- An integrated stormwater and flood management plan that incorporates water sensitive urban design techniques which provides for the protection of natural systems, integration of stormwater treatment into the landscape, improved water quality, and reduction and mitigation of run-off and peak flows, including consideration of downstream impacts.
- A comprehensive Traffic Impact Assessment prepared to the satisfaction of the Responsible Authority, in consultation with the Roads Corporation, that identifies the pattern and location of the major arterial road network of the area including existing roads and the location and details of any required:
 - road widening
 - signalised/unsignalised intersections
 - access points
 - pedestrian crossings or safe refuges
 - cycle lanes
 - bus lanes and stops
- The pattern and location of any internal road system based on a safe and practical hierarchy of roads including safe pedestrian and bicycle connections and crossing points in accordance with South Gippsland Paths and Trails Strategy 2010 (as amended) and South Gippsland Open Space Strategy 2007 (as amended). The internal road network must specifically provide for:
 - A continuous road / pedestrian link from Prudence Close, across Sommers Crescent and through Lot 4 LP135303 to an exit point onto Jumbunna Road between the school and Lot 1 LP134693.
 - The potential for internal road connectivity to the existing dwelling lots that have potential for further subdivision.

SOUTH GIPPSLAND PLANNING SCHEME

- In consultation with relevant agencies and authorities, provision of public transport stops where appropriate within easy walking distance to residential dwellings and key destinations. Stops should also be located near active areas where possible.
- Identification of costs for infrastructure provision both onsite and offsite.

Open Space and Landscaping

- The location and size of the proposed open spaces that cater for a range of user groups and provide a variety of functions that perform both an active and passive role for recreation, as appropriate.
- Public open spaces designed to provide:
 - The inclusion of pedestrian and cycle paths and play equipment, that encourage active recreational opportunities.
 - Opportunities for visual surveillance to promote safety of users, through encouraging active frontages, using buildings to frame public spaces and locating open spaces within or adjacent to activity centres where possible.
- A landscaping plan, prepared by a suitably qualified person, identifying all proposed landscaping with particular regard to the interface with surrounding residential developments, open spaces, the bus depot, roads and the school. The landscape plan must include canopy tree plantings within both the internal and external road network to soften the visual impact of new development when viewed from within and outside the development area. The landscape plan must provide a high level of detail where new development is to adjoin Jumburra Road, Sommers Crescent and new Connector Streets especially in areas where new development is inward facing and not addressing the road.

Flora and Fauna

- In consultation with the Department of Environment and Primary Industries, a flora and fauna survey, prepared by a suitably qualified expert which includes but is not limited to species surveys for the Gippsland Giant Earthworm, and measures required to protect the identified species.
- An assessment of any native vegetation to be removed having regard to Victoria's native vegetation management requirements, including how it is proposed to protect and manage any appropriate native vegetation.
- Regard must be had to the West Gippsland Native Vegetation Plan 2003. (as amended)

Cultural Heritage

- A cultural heritage assessment including how cultural heritage values will be managed.

Land Contamination

An investigation by an appropriately qualified person of the potential location and forms of land contamination resulting from previous land uses, as well as measures to address contamination in areas where sensitive land uses are proposed. The investigation must consider, but not be limited to, agricultural chemical use, informal land dumping, industrial & mining activities and former railway use.

SOUTH GIPPSLAND PLANNING SCHEME

Process and Outcomes

The development plan should be prepared with an appropriate level of community participation as determined by the Responsible Authority.

An implementation plan must be submitted as part of the development plan, indicating the proposed staging of the development and timing of infrastructure provision.

The approved development plan may be amended to the satisfaction of the Responsible Authority.

4.0

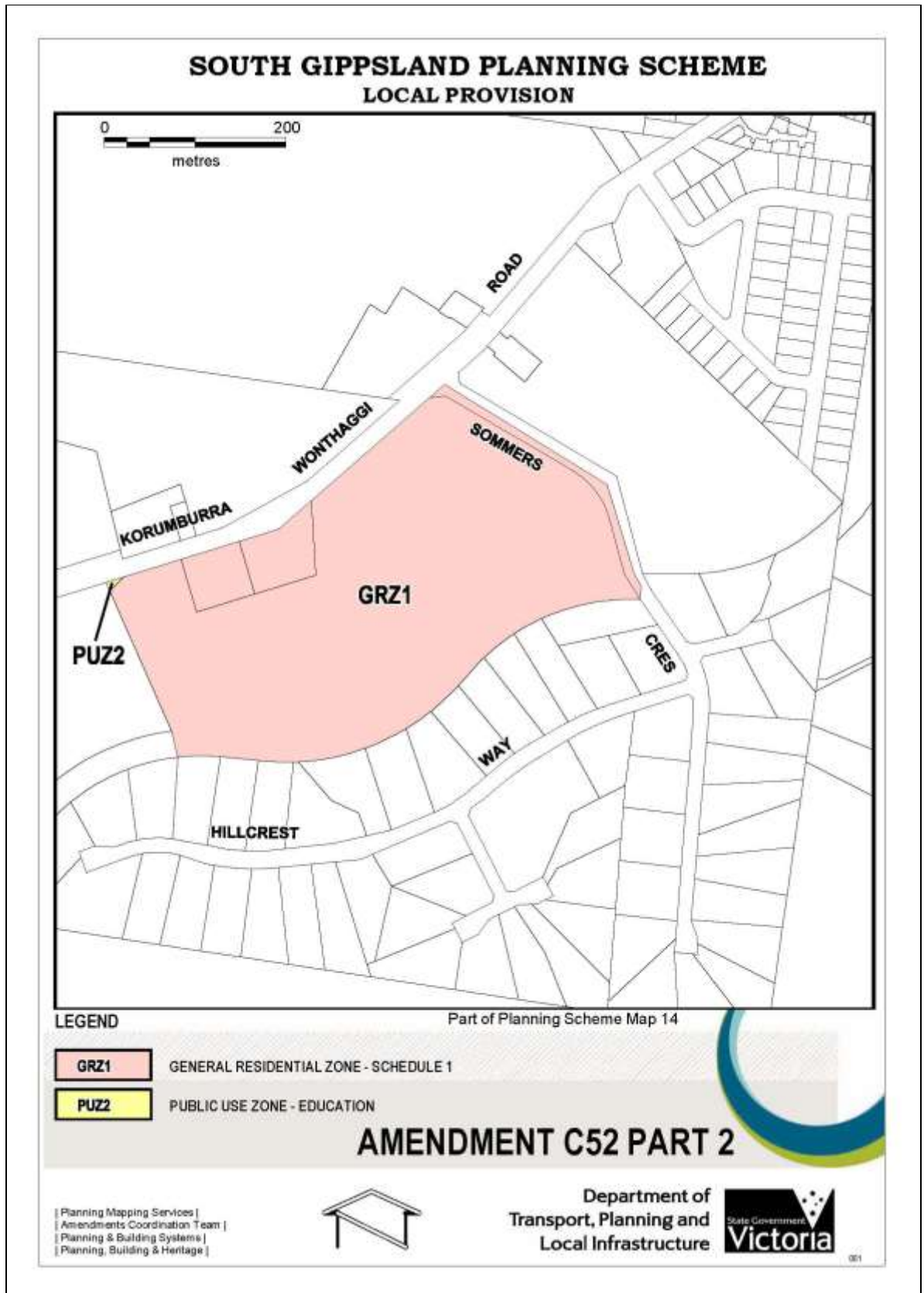
CS2(Part 2)

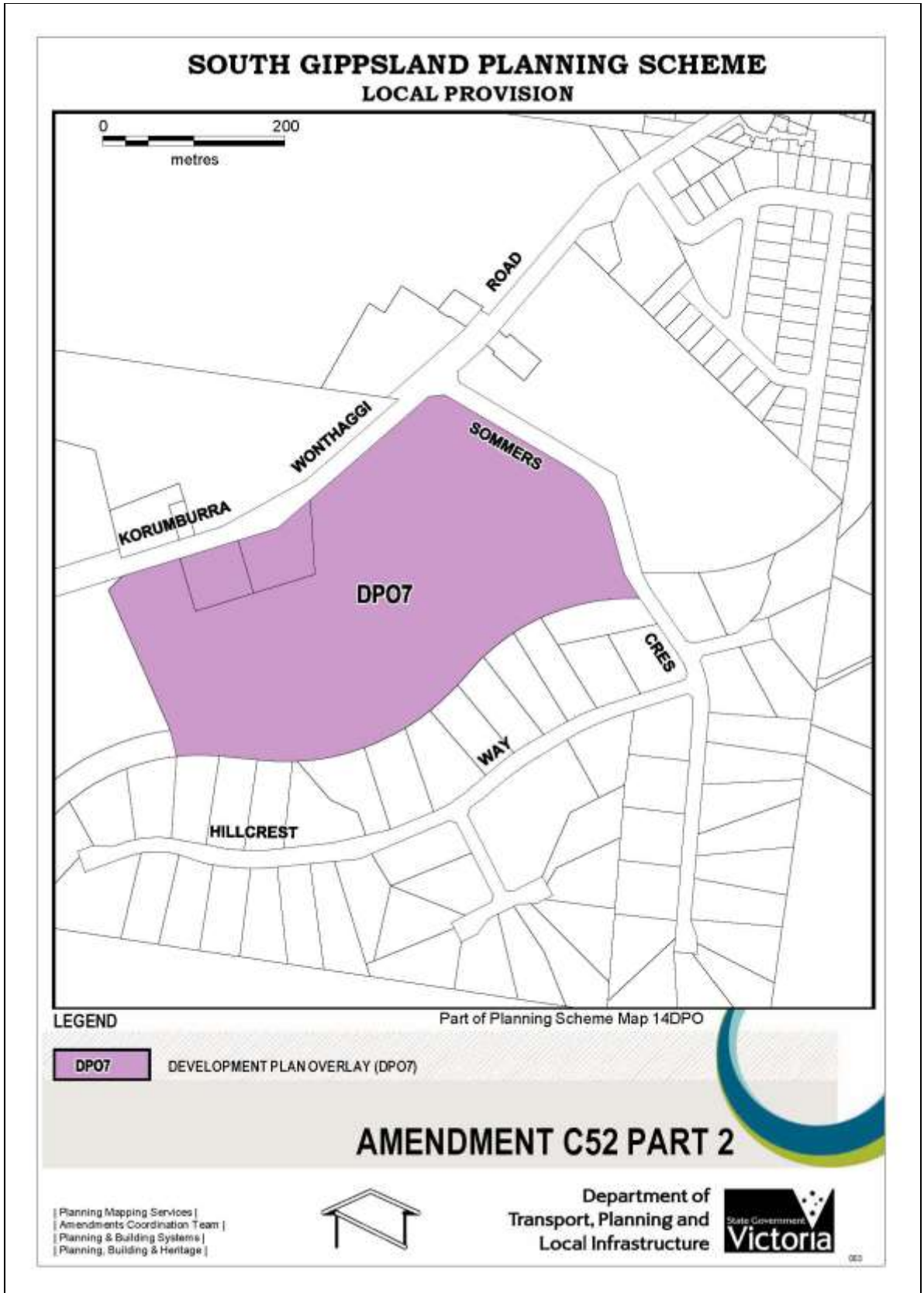
Decision guidelines for development plan

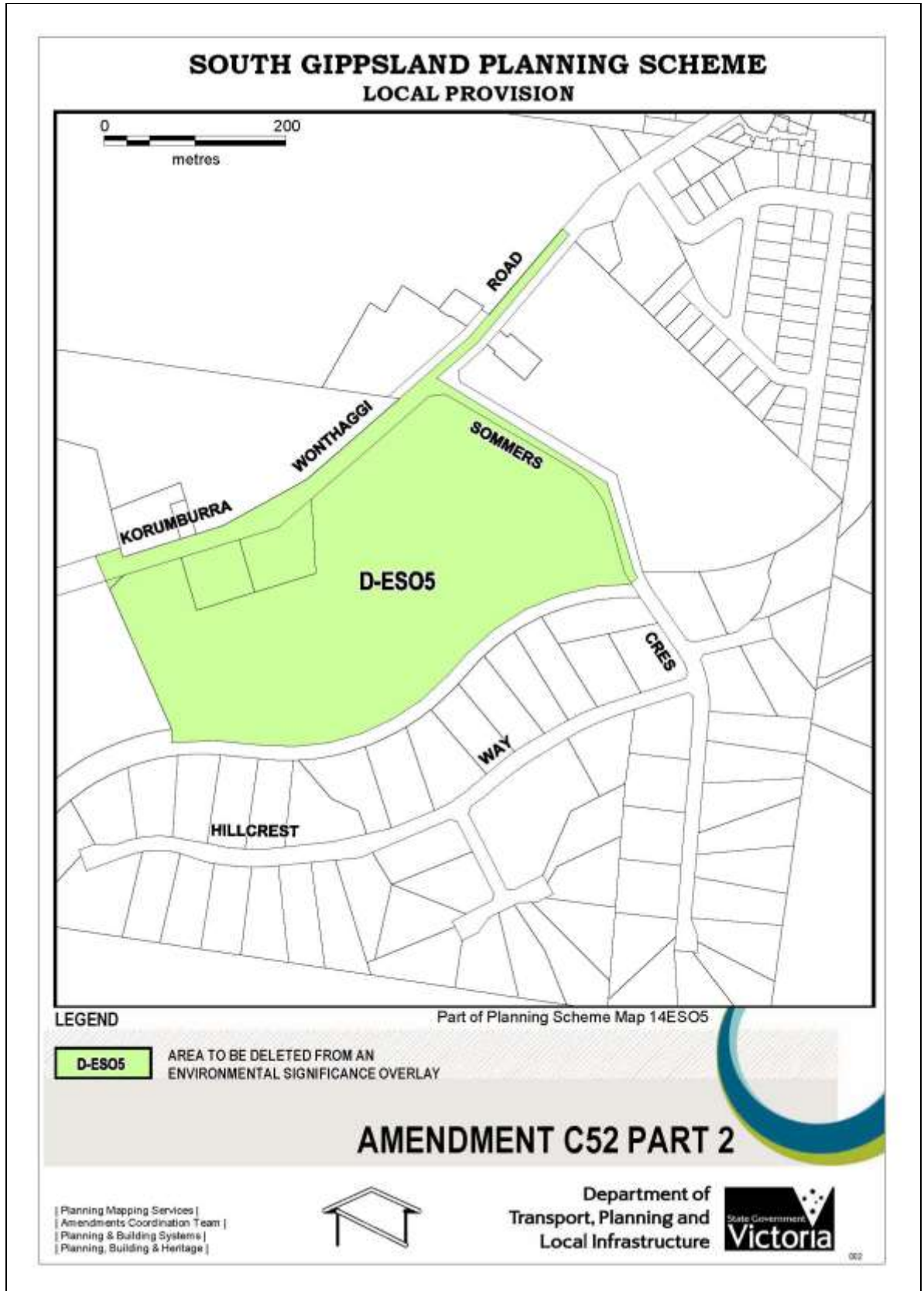
Before deciding on a development plan, the Responsible Authority must be satisfied that the plan has regard to the following information:

- National Heart Foundation of Australia (Victorian Division) 2012, Healthy by Design: a planners' guide to environments for active living®, National Heart Foundation of Australia (Victorian Division) or as amended;
- South Gippsland Path and Trails Strategy 2010 (as amended).
- South Gippsland Open Space Strategy 2007 (as amended).
- Korumburra Structure Plan 2010 (as amended)

**Attachment 3
Official Amendment C52 (Part 2) maps**







E.2 ANNUAL REPORT 2013-2014

Corporate Services Directorate

EXECUTIVE SUMMARY

The final Annual Report 2013-2014 (Annual Report), refer to **Appendix 1**, is presented to Council for adoption. Included in the report are the Financial Statements, Standard Statements and the Performance Statement that have recently been audited and certified by the Auditor General.

In accordance with the requirements of the Local Government Act 1989 a copy of the draft Annual Report 2013-2014 was provided to the Minister for Local Government by 30 September 2014.

The Annual Report will be made available on Council's website and a limited print run will be provided at Council distribution points.

Document/s pertaining to this Council Report

- **Appendix 1** - Annual Report 2013-14

A copy of **Appendix 1** is available on Council's website:
www.southgippsland.vic.gov.au or by contacting 5662 9200.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

The Local Government Act 1989, Section 131 Annual Report

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- South Gippsland Shire Council Annual Budget 2013-2014
- South Gippsland Shire Council Annual Plan 2013-2014

COUNCIL PLAN

Outcome:	4.0	A Leading Organisation
Objective:	4.2	Pursue best practice in organisational development and operations of the organisation
Strategy No:	4.2.2	We will monitor corporate governance processes, including risk management and skills development with the aim of ongoing improvement.

CONSULTATION

The Draft Annual Report 2013-2014 was presented to Council at the Ordinary Council Meeting on 24 September 2014. It provided a summary of Council's activities and achievements throughout the 2013-2014 financial year. The

Council's financial position and performance statements have been reviewed by external auditors and considered by Council's Audit Committee on 15 September 2014.

The Financial Statements, Standard Statements and the Performance Statement have also been audited and certified by the Auditor General.

REPORT

Background

Local Government Act 1989, section 131 (6), requires Council to prepare an Annual Report that provides an end of year summary of the Council's performance. The Annual Report must contain a series of segments required by the Local Government Act 1989 including independently audited Financial Statements, Standard Statements and the Performance Statement by the Auditor General's office.

Council's end of year financial position, based on the adopted Annual Budget 2013-2014 and performance result, was subject to an independent audit by the Victorian Auditor General's Office.

The Local Government Act 1989 requires Council's Annual Report to be presented to the Minister for Local Government by close of business on 30 September annually.

The draft Annual Report 2013-2014, including the Financial Statements, Standard Statements and the Performance Statement, was forwarded to the Minister for Local Government by 30 September 2014 in accordance with the Local Government Act requirements.

Annual Report Summary

The Annual Report 2013-2014 contained in **Appendix 1**, has been prepared to meet Council's statutory requirements and provide a detailed account of a wide range of factors that summarise Council's performance for the financial year. The Annual Report now includes the Financial Statements, Standard Statements and the Performance Statement, which were added to the previous Draft Annual Report 2013-14, after their certification by the Auditor General.

The Annual Report includes:

- A message from the Mayor and a snapshot of the year in review by the Chief Executive Officer;
- The organisational structure, senior personnel, staffing numbers and related human resource matters;
- An outline of the Wards and representative Councillors;

- A succinct overview of Council Department responsibilities and highlights achieved;
- Good governance requirements including a list of registers maintained, Freedom of Information requests processed, Protected Disclosure notifications, Human Rights, Best Value Report and National Competition Policy compliance;
- A financial overview;
- Local Government indicators;
- Community grants and donations provided by Council; and
- Annual Financial Statements, Standard Statements and the Performance Statement for the year ended 30 June 2014

In addition to the Key Strategic Activities in the Performance Statement, the remaining activities from the Annual Plan 2013-14 have also been included to provide a complete picture of the results Council set out to achieve for the financial year.

The draft Annual Report 2013-2104, Annual Financial Statements, Standard Statements and the Performance Statement for the year ended 30 June 2014 have been made public on Council's website for two weeks, as required by the Local Government Act 1989.

This report of Council's performance affirms Council's commitment to accountable and transparent good governance practices. It is also a valuable marketing tool when liaising with Government agencies, community groups and investors.

The Year in Review

The Annual Report provides some highlights of the achievements of Council in the 2013-2014 period, which have also been documented in Council's Quarterly Performance Reports during the year.

Below are just some of the examples of the achievements, and level of service delivered, that showcase the breadth of involvement Council has within the community:

- Retained child care services in Mirboo North and Corner Inlet after Uniting Care Gippsland withdrew their child care service provision;
- Completed and opened the Foster to Toora section of the Great Southern Rail Trail;
- Constructed Stage Two of Cell Three at the Koonwarra landfill;
- Secured funding for the Leongatha Heavy Vehicle Alternate Route;

- Completed land slip works at 25 sites affected by severe weather events;
- Reviewed the Rating Strategy and adopted the Committee's recommendations;
- Resumed management of Long Jetty and Yanakie Caravan Parks (both on Crown land) when their leases expired;
- Installed 1300 energy efficient street lights across the shire;
- Doubled computer capacity and increased internet speeds from 4Mb to 50Mb per second, with projected savings of \$350,000 over the next three years;
- Fitted out the Sandy Point Community Centre to enable its use as a Neighbourhood Safer Place (NSP) during fire emergencies;
- Conducted an online 'Repairing our Roads' campaign that provided vital data of the impact on the safety of our communities and visitors; and
- Prepared the business case and concept plans for the Korumburra Integrated Children's Centre, making it 'shovel ready' for funding assessment.

For access to further highlights and performance results, the community is also encouraged to review the four Council Quarterly Performance Reports for 2013-2014.

Proposal

The Final Annual Report 2013-2014 is presented to Council for adoption following a two week public display period. Once adopted the Annual Report 2013-2014 will be published on Council's website and made available at various Council distribution points, which will be advertised via Council Noticeboard in the local newspapers.

FINANCIAL CONSIDERATIONS

Costs associated with the publication of the Annual Report are covered within the approved budget allocation. The Annual Report is developed 'in-house' and with limited printing which keeps the cost of printing under \$100.

RISKS

Council is required to prepare and adopt an Annual Report of its performance each year. Failure to undertake this requirement would place Council in breach of the Local Government Act. The Annual Report 2013-2014 has been prepared in accordance with legislated requirements.

CONCLUSION

The Annual Report provides a summary of Council's activities and achievements throughout the 2013-2014 financial year.

The Annual Report 2013-2014, refer to **Appendix 1**, is presented to Council for adoption. It includes the Financial Statement, Standard Statements and the Performance Statement, that has received certification by the Auditor General.

A copy of the Annual Report 2013-2014 including the Financial Statement, Standard Statements and the Performance Statement was sent to the Minister for Local Government by 30 September 2014, in accordance with the requirements of the Local Government Act 1989.

RECOMMENDATION

That Council:

1. adopt the Annual Report 2013- 2014;
2. publish the Annual Report 2013-2014 on Council's website; and
3. make the Annual Report 2013-14 available at various Council distribution points which will be advertised via Council Noticeboard in the local newspapers.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Hill

SECONDED: Cr Davies

THAT COUNCIL:

1. **ADOPT THE ANNUAL REPORT 2013- 2014;**
2. **PUBLISH THE ANNUAL REPORT 2013-2014 ON COUNCIL'S WEBSITE; AND**
3. **MAKE THE ANNUAL REPORT 2013-14 AVAILABLE AT VARIOUS COUNCIL DISTRIBUTION POINTS WHICH WILL BE ADVERTISED VIA COUNCIL NOTICEBOARD IN THE LOCAL NEWSPAPERS.**

Crs Kennedy and Brunt left the Meeting at 3.54pm.

Cr Kennedy returned to the Meeting at 3.54pm.

Cr Brunt returned to the Meeting at 3.55pm.

CARRIED UNANIMOUSLY

E.3 COMMUNITY SATISFACTION SURVEY

Corporate Services Directorate

EXECUTIVE SUMMARY

On 25 June 2014, Council received a report outlining the results of the 2014 Community Satisfaction Survey, which is coordinated annually by the Department of Transport, Planning and Local Infrastructure.

The 2014 results were slightly lower than those of the previous year for most of the core measures; however the difference in the comparative annual result was not at a statistically significant rate. The key observation is that Council's results have been consistently slightly lower when benchmarked against other large rural shires and the state-wide average.

In response to these results, Council requested further analysis and benchmarking with similar councils classified as large rural shires, for the 2014 results. A preliminary briefing was provided to Council in July 2014.

From August - October 2014, further benchmarking with large rural councils was undertaken. This report provides an overview of the outcome of the benchmarking analysis.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989 - Section 132

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Communication Strategy and Engagement Toolkit

COUNCIL PLAN

Outcome:	4	A Leading Organisation
Objective:	4.2	Pursue best practice in organisational development and operations of the organisation.
Strategy:	4.2.3	We will make informed decisions and provide opportunities for the community to participate in the decision making process.

CONSULTATION

The Community Satisfaction Survey is coordinated annually by the Department of Transport, Planning and Local Infrastructure. The 2014 survey was undertaken by an independent market research company, JWS Research. For South Gippsland Shire Council, the telephone interview survey was conducted between 31 January and 11 March 2014, with a sample size

of 401 residents aged 18 years and over. Council is in the large rural shire category.

Council was provided with additional analysis of the Survey results at a briefing on 23 July 2014. This was informed by both external and internal consultation. At that briefing, Council requested that Officers undertake further benchmarking against similar councils, to be conducted by October 2014, utilising the survey results of the other councils and/or the Annual Reports, and discussion with higher performing councils in the large rural shire category.

Liaison was undertaken in August - October 2014 with the following Council's regarding their 2014 Community Satisfaction Survey results:

Baw Baw Shire Council, Bass Coast Shire Council, East Gippsland Shire Council, Wellington Shire Council and Colac-Otway Shire.

REPORT

Background

The Community Satisfaction Survey results for 2014 were presented to Council on 25 June 2014. This report included the summary of the results and findings. This report includes a summary of the verbatim responses considered by Councillors at a briefing in July, along with benchmarking with similar councils.

Council has participated in the current format of the annual Community Satisfaction Survey in 2012, 2013 and 2014. A similar survey was conducted in previous years; however the methodology was significantly different which precludes any comparison or trend line analysis to years prior to 2012.

Discussion

The Community Satisfaction Survey has five core measures:

- 1) Overall Performance;
- 2) Community Consultation;
- 3) Advocacy;
- 4) Customer Service; and
- 5) Overall Council Direction.

As an additional feature of the survey design, the researchers collated verbatim comments under two categories: "the best thing about Council" and "Council needs to improve". A range of responses were received across each category and it is important to note that there was a fair degree of positive sentiment to counterbalance the improvement based or critical comments received.

For example, 12.9% of the total verbatim responses received rated Council's Customer Service as positive, compared to 7.7% of the total responses rating it negatively. The results related to the condition of local roads and infrastructure (eg. Footpaths, parks) were balanced towards the negative with 34.6% of the total verbatim comments negative in comparison to 14% positive.

Comparative analysis of the annual performance of Council on the five core measures indicates minimal statistically significant variance in performance across the period 2012 - 2014. There is the possible exception of the core measure results for Customer Service, which dropped five points from 2013 to 2014 (results of 68 in 2013, and 63 in 2014).

Potential relevance may be seen in benchmarking the 2014 results to similar councils, i.e. councils in the large rural shire category. For the years 2012 through to 2014, Council results for the five core measures are comparatively slightly lower than the results of the other large rural shires.

Irrespective of the results per se, it is notable that the councils in the large rural shires generally have larger populations than South Gippsland Shire. The population of South Gippsland Shire is closer to that of some of the councils categorised as small rural shires. It is notable that a state-wide comparison for the three years the survey has been conducted indicates that the large rural shires generally have lower results than the state-wide average.

Liaison with the following councils was undertaken in August - October 2014 regarding their 2014 Community Satisfaction Survey results:

Baw Baw Shire Council, Bass Coast Shire Council, East Gippsland Shire Council, Wellington Shire Council, and Colac-Otway Shire.

TABLE: Benchmarking - 2014 Community Satisfaction Survey results of selected large rural shires

Core Measure / Council	Overall Performance	Community Consultation	Advocacy	Customer Service	Overall Council Direction
South Gippsland Shire	49	51	49	63	42
Baw Baw Shire	57	53	52	67	52
Bass Coast Shire	50	49	48	65	47
East Gippsland Shire	60	53	54	67	51

Core Measure / Council	Overall Performance	Community Consultation	Advocacy	Customer Service	Overall Council Direction
Wellington Shire Council	64	60	57	74	61
Colac-Otway Shire	48	49	50	62	43
Large Rural Shire average 2014	57	55	54	68	51

It is clear that there are some higher performing councils in the region and/or the large rural shire category. However, higher results are not consistent across all core measures, nor all councils. When filtered for statistical significance (more than two - three points difference) the gap closes further, framing South Gippsland Shire Council's results as reasonable when compared to others.

Council requested investigation into factors perceived to contribute to the higher results from other large rural shires. Discussion with the councils that achieved higher results in the 2014 survey indicated that a combination of increased capital works programs and targeted communications campaigns were considered positive influential factors.

Capital works, particularly around roads, and communications have also been highlighted in South Gippsland Shire Council's 2013 and 2014 surveys results. Council has already taken steps to address these concerns.

Council has allocated additional financial resources to roads in the 2014-2015 Budget, with an increased investment of \$500,000 into Council's Road Re-sheet program to improve the gravel road network. Council also continues assertive advocacy efforts to State and Federal government regarding the roads within the Shire.

Communications and engagement related initiatives already underway include Council's use of social media to increase information provision and engagement with the community, and improvements to the Council website are being implemented to improve information access. These initiatives provide a platform for proactive communications.

JWS Research provides councils with the opportunity to include additional, tailored questions which are specific to their research needs. In 2014, Council included two additional tailored questions pertaining to swimming pools within the shire. These questions indicated usage rates of the pools

amongst survey respondents, and gauged the respondent's willingness to consider a possible increase to the rates levy to retain the pools.

The results indicated that 49% of respondents had utilised a Council swimming pool in the past 12 months (from the time of the survey in February 2014). In response to the question regarding willingness to incur a rate rise versus closure of swimming pools, 30% of respondents agreed to "probably increase levy on rates" and 31% of respondents agreed to "definitely increase the levy on rates". Presented with the options of "probably" or "definitely" closing one of more pools, the response to each option was even at 13%.

At the Council Meeting of 25 June 2014 it was resolved that Council utilise the results relating to Council's swimming pools, in any future considerations regarding Council's swimming pools.

Proposal

It is proposed that Council continue participation in the Community Satisfaction Survey for 2015. There are sections of the survey that provide data for the Local Government Performance Reporting Framework, which is mandatory for legislative compliance for 2014-2015, however participation in the survey does remain optional.

Additionally, it is proposed that Council give consideration to leveraging opportunities inherent in general communication and engagement strategies to showcase the service and infrastructure contributions of Council and boost public image.

FINANCIAL CONSIDERATIONS

Provision for Council's participation in the 2015 Community Satisfaction Survey is included in the current budget.

RISKS

Community satisfaction rating research and benchmarking carries inherent risks regarding reputational damage. Council is encouraged to be mindful of the ongoing impact of lower than average community satisfaction survey results, particularly when framed as such, and to give consideration to the overall public image of the organisation in relation to general communication and engagement strategies going forward.

CONCLUSION

The Community Satisfaction Survey results for Council have continued to be slightly lower than the average result for large rural shires. Council is encouraged to consider the results in comparison to similar councils, and to continue to take proactive steps to identify ways to improve its overall public image.

RECOMMENDATION

That Council note the information provided regarding benchmarking of the 2014 Community Satisfaction Survey results for large rural shires.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Davies

SECONDED: Cr McEwen

THAT COUNCIL:

- 1. NOTE THE INFORMATION PROVIDED REGARDING BENCHMARKING OF THE 2014 COMMUNITY SATISFACTION SURVEY RESULTS FOR LARGE RURAL SHIRES.**
- 2. TO DEVELOP AN IMPLEMENTATION STRATEGY FOR THE COMMUNICATION AND ENGAGEMENT POLICY.**
- 3. REFER THE RESULTS OF THE 'OUR SAY' ON-LINE COMMUNITY ENGAGEMENT TO COUNCIL'S PLANNING PROCESS FOR 2015-2016 TO CONSIDER FURTHER STRATEGIC DIRECTIONS TO ADDRESS THE PERCEPTION OF COUNCIL'S PERFORMANCE.**

CARRIED UNANIMOUSLY

E.4 CAPITAL WORKS PROGRAM PROCEDURE

Corporate Services Directorate

EXECUTIVE SUMMARY

Council at its meeting of 28 May 2014 resolved that a report on good governance procedures for the Capital Works Budget be prepared. This report provides Council with a good governance procedure to be used for the annual review of the Capital Works Program.

This Capital Works Program Procedure (Procedure) contained in **Attachment 1**, is currently being used to review the Capital Works Program for the 2015-2016 Annual Budget. It is recommended this procedure be supported by Council for the annual review of the Capital Works Program.

Document/s pertaining to this Council Report

- **Attachment 1** – Capital Works Program Procedure
- **Attachment 2** – Capital Works Planning to Construction Phase - Flowchart

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Council Plan 2013-2017
- Financial Strategy – 2014
- Asset Management Plans

COUNCIL PLAN

Outcome:	4.0	A Leading Organisation
Objective:	4.2	Pursue best practice in organisational development and operations of the organisation.
Strategy:	4.2.3	We will make informed decisions and provide opportunities for the community to participate in the decision making process.

REPORT

Background

Council resolved the following motions at the 28 May 2014 Council Meeting:

That Council prepare a report on good governance procedure for the Capital Works Budget that:

- 1. Reviews the policy and methods to be employed to add future additional expenditure into the 15 year projections.
Carried unanimously;*
- 2. Such methods should be a clear and transparent process which allows for rigorous debate and informed decision making. All such processes must reflect the financial strategies of Council.
Carried unanimously.*

The report that accompanied the Notice of Motion that led to the above resolutions, expressed concerns that funds could be incorporated into the 15 year budget without a sufficient level of rigorous debate or reasoning to justify the decision. It supported the need for a transparent process to inform Council's decision making on capital works.

Council has annually reviewed the Capital Works Program (Program) to inform the annual budget and long term financial plan.

The Program incorporates a significant capital renewal program informed by the asset management plans for each class of asset. The renewal program aims to ensure Council's extensive infrastructure base is maintained and replaced with the equivalent standard of provision. This is the minimum level of asset management required by Council to fund. The majority of the Council Works Budget is utilised for renewal of existing assets.

An extension/upgrade program is in place for assets where the base level of provision is deemed no longer suitable to meet community needs or is required to meet changing legislative standards. These projects, once funded, increase the standard of service provided. It forms the new service level for future renewal requirements of these assets.

The Capital Works Program contains a section for new assets that have been incorporated to meet the ever increasing needs and expectations of the community.

The Capital Works Program includes both expenditure for assets and income from various sources that can help fund the Program. Income sources predominantly include developer contributions, grants, government funding allocations and special charge schemes.

The existing Capital Works Program review process is a subset of an integrated Annual Budget/Long Term Financial Plan development review

process that occurs on a cyclical basis. The activities below outline the broader planning and development cycle, within which the Capital Works Program is considered on several specific occasions.

Previous Review Cycle:

June	An Annual Budget and 15 year Long Term Financial Plan is adopted by Council which includes a Capital Works Program.
*September	1st period Financial Performance report provides an update of the prior financial year-end results impact on the current budget. This report identifies capital projects and budgets carried forward from the previous financial year to the current financial year (projects not completed by 30 June).
October	Council briefing session provides a 'strategic financial update' discussing previous year financial performance, its impact on the current year's and forward budgets, including benchmarking of the Long Term Financial Plan to large rural council financial plans.
*November	Council briefing session - capital works program. Information provided to Council includes a proposed revised forward Capital Works Program (and associated capital income sources).
*December	2nd period Financial Performance report includes any agreed revisions made to the Capital Works Program arising from the November briefing session.
December	Council briefing session on the Financial Strategies.
October – January	Financial ramifications of any changes made to services/service standards are updated into the current and forward budget projections in the Long Term Financial Plan.
January – February	Departments prepare budget estimates for recurrent service level requirements.
*March	Council is provided two budget briefing sessions that review the Proposed Annual Budget / Long Term Financial Plan which incorporates recurrent operational and Capital Works Program funding requirements.
April	Council formally prepares a Proposed Annual Budget / Long Term Financial Plan.

- *May 4th period Financial Performance report focuses on projected financial outcomes for the current year including quantifying the budget carried forward impact (in particular the Capital Works Program) on the Proposed Budget.
- *June Council considers public submissions made in respect to the 'Proposed Budget' and then formally adopts the Annual Budget / Long Term Financial Plan.

(Note: Items marked with an asterisk () denote that there is some specific form of consideration or focus on the capital works program).*

Discussion

The annual review of the Capital Works Program can be complex, with many factors influencing the prioritisation and timing of works. In the past the process of reviewing the Program has been undertaken in a series of briefing sessions normally held in November each year to inform the draft Annual Budget. All components of the Program are covered at these briefings, however the process and ramifications of resolutions arising from those reviews may not have been clearly understood by all Councillors.

The resolutions of Council from the May 2014 Council Meeting seek to establish a good governance procedure within which the Program can be reviewed and rigorously debated using clear and transparent methods.

The Local Government Act 1989 has been amended in 2014 and now requires the Annual Budget to be adopted by 30 June each year. In order to ensure this legislative requirement is met and to increase the time for Council to consider formal budget section 223 public submissions, the cyclical program has now been updated to achieve these requirements. The scheduled touch points to Council are now as follows:

- June An Annual Budget and 15 year Long Term Financial Plan is adopted by Council which includes a Capital Works Program.
- *September 1st period Financial Performance report provides an update of the prior financial year-end results impact on the current budget. This report identifies capital projects and budgets carried forward from the previous financial year to the current financial year (projects not completed by 30 June).
- *September and October Council briefed on the Capital Works framework and proposed Program reviewed and finalised for inclusion in the draft budget.

October and November	<p>Council briefed on 2013-2014 financial results and comparative data, Financial Strategies, Council priorities, Long Term Financial Plan review and Annual Initiative proposals.</p> <p>Departments prepare budget estimates for recurrent service level requirements.</p> <p>Pre-budget community engagement and workshops conducted.</p>
*December	<p>Council briefing on first draft Budget, draft Annual Initiatives and any refinements to the Council Plan.</p>
February	<p>Council adoption of the Financial Strategies and review of revised draft Budget and Annual Initiatives.</p>
*March	<p>Council meeting to endorse the Proposed Budget including Annual Initiatives, Capital Works Program and Fees and Charges, and any revisions to the Council Plan, for public comment.</p>
April	<p>Formal consultation through the Section 223 submissions conducted.</p>
*May	<p>Section 223 Submissions Hearing and a Council Briefing on the 4th period Financial Performance report focusing on projected financial outcome for the current year including quantifying the budget carried forward impact (in particular the capital works program) on the Proposed Budget.</p>
June	<p>Special Meeting to consider Section 223 Submissions.</p>
*June	<p>Adoption of the Budget including Annual Initiatives, Capital Works Program and Fees and Charges, and adoption of the Council Plan including the four year Strategic Resource Plan.</p>

(Note: Items marked with an asterisk () denote that there is some specific form of consideration or focus on the capital works program).*

Financial Strategies and Capital Works Program

No matter what approach Council takes in determining its business needs (e.g. service driven budget versus rate rise driven budget) financial strategies ensure that the resulting annual and longer term forward budgeted financial statements are consistent with the principles of sound financial management.

There are a number of financial strategies that have direct association to capital funding considerations. These include:

- Strategy 1 Target consistent underlying surpluses that provide sufficient funds for both recurrent service level and asset renewal and upgrade requirements.
- Strategy 8 Service level funding gaps will be identified and classified as primary or secondary in nature to clearly distinguish the cash flow requirements of maintaining existing service levels (primary gaps) and for service level enhancements (secondary gaps).
- Strategy 10 The amount of asset renewal funding required to maintain specified service levels as documented in asset management plans will be updated into the Long Term Financial Plan, subject to the available resource requirements, to ensure that the financial integrity of the plan is not compromised.
- Strategy 11 Any new capital work (capital extension) proposals must include a lifecycle cost evaluation that identifies the asset's construction, maintenance and operating cash flow requirements as well as the depreciation impact.
- Strategy 12 Capital income must only be utilised as a funding source for capital or 'one off' expenditure requirements.
- Strategy 13 Council consider borrowing for new capital projects only when consistent underlying operating surplus results are being achieved.
- Strategy 14 For borrowings to be considered, projects must have had a full lifecycle cost analysis undertaken, proving that future cash inflows will exceed the cash outlays, or alternatively that the additional costs are quantified in the Long Term Financial Plan and the integrity of the financial strategies are not compromised.

The connection of the abovementioned strategies to capital works is relatively straightforward with the exception of Strategy #8.

Strategy #8 emphasises the importance of identifying, quantifying and distinguishing between primary and secondary funding gaps for infrastructure assets and all services that Council provide. This reinforces the concept that current and future service level requirements should be driving the capital expenditure requirements.

Financial analysis of Capital Works Program

Capital expenditure makes up a significant component of annual budgeted cash outflows that is incorporated into budgeted financial statements.

A series of key financial performance indicators are used to analyse the financial integrity of the budgeted financial statements of the Long Term Financial Plan. Council would be familiar with the presentation of the ratios in table format that can be colour coded with either 'green', 'yellow' or 'red'. These tables are included in monthly updates and Quarterly Financial Reports to Council.

Financial modelling methodology process

Any financial modelling conducted on infrastructure asset funding requirements references the financial strategies. The integrity of the budgeted financial statements needs to be validated by the key financial performance indicators.

Council needs to ensure that it can responsibly and sustainably manage the Capital Works Program to ensure the integrity of the Long Term Financial Plan and the Financial Strategies are not compromised.

Modelling adjustments, monitoring actual against proposed income and expenditure, monitoring actual to predicted growth and providing capacity for emerging future growth provisions, all guide the practical management of a financially responsible Budget.

Proposal

Capital Works Program Review Methodology

Concerns raised regarding the Capital Works Program review process have led to a review of the current process and the development of a documented procedure that is currently being trialled in the development of the Capital Works Budget for 2015-2106. The Procedure is set out in **Attachment 1**.

The Procedure requires that in the review of the Capital Works Program the following are considered and determined for inclusion in the Budget:

1. Resolutions of Council pertaining to Capital Work Projects;
2. Review of Asset Management Plans and related Service Level Statements;
3. Review of the Social Infrastructure Blue Print;
4. Review of Structure Plans and infrastructure requirements; and
5. Review of rate of Developments within the Shire and the impact on infrastructure.

The Procedure also incorporates a flowchart for Capital Works planning of major works and major new assets (refer **Attachment 2**). The flowchart articulates the process for detailed planning that better informs the requirements and associated costs of major works for budgeting purposes.

It is proposed that Council utilise the Capital Works Program Procedure contained in **Attachment 1**, to review the Capital Works Program and that this procedure be refined, as required, as a Chief Executive Officer approved procedure.

FINANCIAL CONSIDERATIONS

There are no financial implications with the establishment or use of this procedure.

CONCLUSION

It is important that all key stakeholders understand the integrated nature of how annual and longer term budgets are reviewed and developed over the course of a financial year from a whole of Council perspective.

If the process is understood, this will provide individual Councillors the opportunity to rigorously debate the matters at hand and more importantly, agree a position as a Council in order to give direction to officers to provide further information and / or develop models. In this way Council as a whole can make informed decisions.

RECOMMENDATION

That Council utilise the Capital Works Program Review Procedure contained in Attachment 1 to review the Capital Works Program and that this procedure be refined as required as a Chief Executive Officer approved procedure.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Fawcett

SECONDED: Cr

THAT COUNCIL UTILISE THE CAPITAL WORKS PROGRAM REVIEW PROCEDURE CONTAINED IN ATTACHMENT 1 TO REVIEW THE CAPITAL WORKS PROGRAM AND THAT THIS PROCEDURE BE REFINED AS REQUIRED AS A CHIEF EXECUTIVE OFFICER APPROVED PROCEDURE.

MOVED: Cr Hill

SECONDED: Cr Kennedy

THAT COUNCIL DEFER ITEM E.4 CAPITAL WORKS PROGRAM PROCEDURE.

For: Crs Brunt, Newton, Fawcett and Davies.

Against: Crs McEwen, Kennedy, Hill and Harding.

The Deferment Motion was LOST on the casting vote of the Mayor.

MOVED: Cr Fawcett

SECONDED: Cr Davies

THAT COUNCIL UTILISE THE CAPITAL WORKS PROGRAM REVIEW PROCEDURE CONTAINED IN ATTACHMENT 1 TO REVIEW THE CAPITAL WORKS PROGRAM AND THAT THIS PROCEDURE BE REFINED AS REQUIRED AS A CHIEF EXECUTIVE OFFICER APPROVED PROCEDURE.

Cr McEwen left the Meeting at 4.10pm.

Cr McEwen returned to the Meeting at 4.10pm.

Cr Hill indicated his intention to foreshadow a Rescission Motion should the Motion be lost.

The Motion was CARRIED on the casting vote of the Mayor.

For: Crs Brunt, Newton, Davies and Fawcett.

Against: Crs Hill, Kennedy, McEwen and Harding.

Cr Hill indicated his intention to foreshadow a Rescission Motion should the Motion be lost.

Attachment 1 15 Year Capital Works Program Procedure



Purpose

To provide a good governance procedure to be used for the annual review of the 15 year Capital Works Program.

This procedure ensures the Capital Works Program can be reviewed and rigorously debated using clear and transparent methods.

Scope

The review will cover renewal, upgrade and extension projects and where the project originated from. The review will occur annually in the first half of the financial year to inform the Annual Budget.

Requirements

In the review of the Capital Works Program the following are considered and determined for inclusion in the Budget:

Resolutions of Council pertaining to Capital Work Projects
Review of Asset Management Plans and related Service Level Statements
Review of the Social Infrastructure Blue Print*
Review of Structure Plans and infrastructure requirements
Review of rate of Developments within the Shire and the impact on infrastructure
*Note – the Community Direction Statements are considered in the development of the Social Infrastructure Blueprint.

The review is conducted in line with the following Financial Strategies 1,8,10,11,12,13 and 14.

Procedure

Steps	Description	Who
1	Review the service statements and renewal program. The purpose of this is to highlight to Council any areas where there is funding pressure.	Manager Assets Building Coordinator Manager Property Manager Information Services Fleet Coordinator Manager Operations Others as required



15 Year Capital Works Program

Steps	Description	Who
2	Review projects with upgrades associated and why the upgrade is required.	As per Step 1 (as required)
3	Review the extension program and where the project originated from. i.e. Structure Plans, Priority Projects, Social Infrastructure Blue Print, Council Strategies, Developer driven.	As per Step 1 (as required)
4	Review the construction index to be used	Manager Finance
5	Review Future Major Works agree to major projects to be funded in the program and determine capacity for future projects arising from strategic plans. Eg Social Infrastructure Blue Print, Municipal Precinct Plan, etc	Directors
6	Review funding sources including grants and reserves.	Manager Finance Grant Coordinator Director Engineering Services
7	Review the timing of developments in the growth areas and agree to the timing of when the infrastructure will be built. i.e. when sub division is 50% built (this timing will be different for civil infrastructure verses social infrastructure.	Director Development Services Director Engineering Services Others as required eg. Manager Strategic Planning.

Implementation

1. The Engineering Department will present a draft/revised Capital Works Manual to the Financial Sustainability Steering Committee to inform the draft Annual Budget each year in accordance with the Budget development schedule;
2. The revised program will be modelled to ensure the integrity of the Financial Strategies are not compromised;
3. The final revised program will be presented as part of the Annual Budget for endorsement and for final adoption by Council, following the formal consultation process.



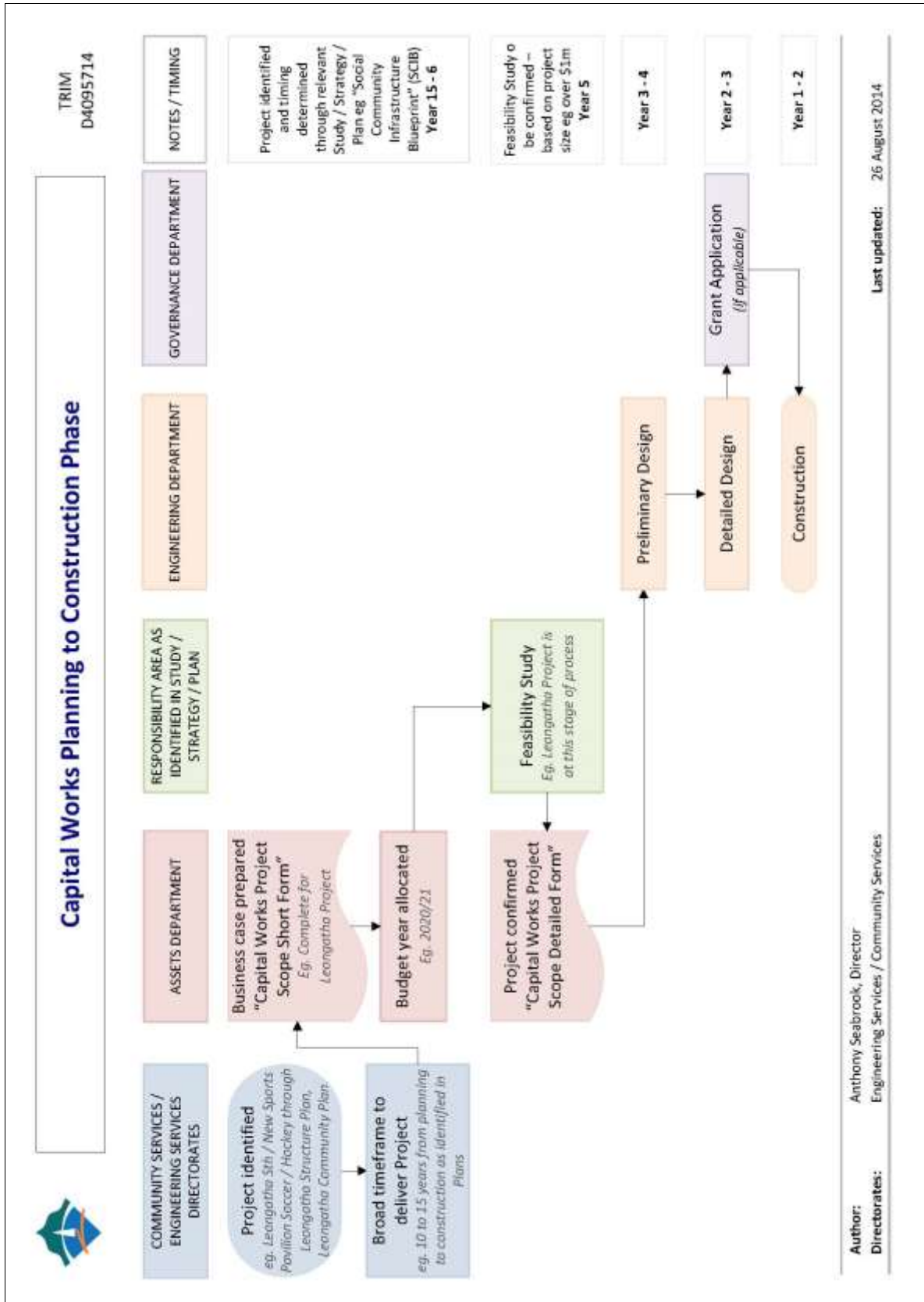
15 Year Capital Works Program

Related Documents

- Financial Strategies
- Long Term Financial Plan.
- Asset Management Plans.
- Social Infrastructure Blue Print incorporating Community Infrastructure Plans
- Paths & Trails Strategy.
- Structure Plans.
- Municipal Early Years Plan.
- Aquatic Strategy



Attachment 2 Capital Works Planning to Construction Phase - Flowchart



E.5 COUNCIL DELEGATION TO STAFF

Corporate Services Directorate

EXECUTIVE SUMMARY

This report recommends that Council approve a new Instrument of Delegation (Instrument) to nominated staff positions (**Appendix 1**) as part of Council's continuing review of delegations. The new Instrument incorporates changes as a consequence of amendments to legislation and to Council's organisational structure.

Document/s pertaining to this Council Report

- **Appendix 1 - Instrument of Delegation Council to Staff**

A copy of **Appendix 1** is available on Council's website:
www.southgippsland.vic.gov.au or by contacting 5662 9200.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989, section 98(1)

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

South Gippsland Shire Council Instrument of Delegation to Staff

COUNCIL PLAN

Outcome:	4.0	A Leading Organisation
Objective:	4.2	Pursue best practice in organisational development and operations of the organisation
Strategy:	4.2.2	We will monitor corporate governance processes, including risk management and skills development with the aim of ongoing improvement.

CONSULTATION

The revised Instrument has been updated following consultation with relevant Council staff and the Executive Leadership Team and Councillors have been provided a summary of the changes in Council's InfoSum newsletter.

REPORT

Background

Council's Instrument of Delegation to members of Council Staff was last reviewed on 28 August 2013.

Discussion

The effective functioning of local government would not be possible if all decisions were made by Council, hence most decision-making power is, or should be, allocated by formal delegations which the Council is empowered to do by the Local Government Act 1989.

The delegation power under the Local Government Act 1989, applies to powers under any Act. However, some other Acts also include provisions dealing with delegations relating to particular issues, for example planning and development matters. The prudent approach is to comply with the more restrictive and specific delegation rules under the specific purpose legislation. This requires the delegation from Council directly to staff positions.

Over time powers in legislation change, as does Council's organisational structure. It is important to ensure that the Instrument of Delegation is reviewed periodically to reflect these changes so that delegations to staff are current and due decisions made are valid and under delegation.

The updated Instrument includes amendments highlighted in **Appendix 1** to reflect changes in the following legislation:

- Food Act 1984
- Planning and Environment Act 1897
- Residential Tenancies Act 1997
- Planning and Environment Regulations 2005
- Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010

Proposal

It is proposed for Council to adopt the updated Instrument (**Appendix 1**) to include those changes outlined in Discussion above.

FINANCIAL CONSIDERATIONS

Not applicable.

RISKS

The decision of a delegate (staff member) is "deemed" to be a decision of Council, therefore correct delegations are necessary for decisions to be valid.

Without delegations decision making is restricted in a manner that can potentially slow down the business of local government and local economic and social development.

CONCLUSION

Updating the Instrument (**Appendix 1**) allows delegation of powers to members of staff at an appropriate level. This allows for effective and timely decision making necessary to meet community expectations in the provision of specific service areas and for development approvals.

RECOMMENDATION

That in the exercise of the powers conferred by section 98(1) of the Local Government Act 1989 (the Act) and the other legislation referred to in the attached Instrument of Delegation to members of Council staff (Appendix 1), the South Gippsland Shire Council (Council) resolves that:

1. there be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached Instrument of Delegation (Appendix 1) to members of Council staff, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument;
2. the Instrument of Delegation to staff comes into force immediately the common seal of Council is affixed to the instrument;
3. on the coming into force of the Instrument all previous delegations to members of Council staff (other than the Instrument of Delegation to the Chief Executive Officer) are revoked; and
4. the duties and functions set out in the Instrument of Delegation to Staff must be performed, and the powers set out in the Instrument of Delegation must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Davies

SECONDED: Cr Newton

THAT IN THE EXERCISE OF THE POWERS CONFERRED BY SECTION 98(1) OF THE LOCAL GOVERNMENT ACT 1989 (THE ACT) AND THE OTHER LEGISLATION REFERRED TO IN THE ATTACHED INSTRUMENT OF DELEGATION TO MEMBERS OF COUNCIL STAFF (APPENDIX 1), THE SOUTH GIPPSLAND SHIRE COUNCIL (COUNCIL) RESOLVES THAT:

- 1. THERE BE DELEGATED TO THE MEMBERS OF COUNCIL STAFF HOLDING, ACTING IN OR PERFORMING THE DUTIES OF THE OFFICES OR POSITIONS REFERRED TO IN THE ATTACHED INSTRUMENT OF DELEGATION (APPENDIX 1) TO MEMBERS OF COUNCIL STAFF, THE POWERS, DUTIES AND FUNCTIONS SET OUT IN THAT INSTRUMENT, SUBJECT TO THE CONDITIONS AND LIMITATIONS SPECIFIED IN THAT INSTRUMENT;**
- 2. THE INSTRUMENT OF DELEGATION TO STAFF COMES INTO FORCE IMMEDIATELY THE COMMON SEAL OF COUNCIL IS AFFIXED TO THE INSTRUMENT;**
- 3. ON THE COMING INTO FORCE OF THE INSTRUMENT ALL PREVIOUS DELEGATIONS TO MEMBERS OF COUNCIL STAFF (OTHER THAN THE INSTRUMENT OF DELEGATION TO THE CHIEF EXECUTIVE OFFICER) ARE REVOKED; AND**
- 4. THE DUTIES AND FUNCTIONS SET OUT IN THE INSTRUMENT OF DELEGATION TO STAFF MUST BE PERFORMED, AND THE POWERS SET OUT IN THE INSTRUMENT OF DELEGATION MUST BE EXECUTED, IN ACCORDANCE WITH ANY GUIDELINES OR POLICIES OF COUNCIL THAT IT MAY FROM TIME TO TIME ADOPT.**

Cr Kennedy left the Meeting at 4.15pm.

CARRIED UNANIMOUSLY

E.6 APPROVAL OF GREAT SOUTHERN RAIL TRAIL BLACK SPUR CONTRACTS UNDER CHIEF EXECUTIVE OFFICER DELEGATION

Engineering Services Directorate

EXECUTIVE SUMMARY

This report seeks approval for the Chief Executive Officer to have delegated authority from Council to approve the two contracts for the Black Spur Section of the Great Southern Rail Trail (GSRT) on the basis that tenders come within budget and that the contract details are reported to Council at the earliest possible date after award of the contracts.

LEGISLATIVE/ ACTION PLANS/ STRATEGIES/ POLICIES

- Local Government Act 1989 - Section 98(1)
- South Gippsland Shire Council Procurement Policy
- South Gippsland Shire Council Instrument of Delegation to the Chief Executive Officer

COUNCIL PLAN

Outcome:	4.0	A Leading Organisation
Objective:	4.2	Pursue best practice in organisational development and operations of the organisation.
Strategy:	4.2.2	We will monitor corporate governance processes, including risk management and skills development with the aim of ongoing improvement.

REPORT

Background

Following State Government announcement of funding for the Black Spur section of the GSRT on 2 October 2014, the tender for the bridges component of this project was advertised in the Age on the following Saturday (4 October) and in the local papers on 7 October 2014. The contract for the trail works was advertised the following week. Both tenders are currently programmed to close on Thursday 30th October 2014.

Discussion

It is unlikely there would be sufficient time to assess tenders, clarify any tender issues, carry out the necessary referee checks and complete the report for Council in time for the November Council meeting, particularly with the Melbourne Cup falling within this period.

If approval is delayed until the December Council meeting, a contract would be awarded just prior to Christmas at the earliest.

If Council gave approval for the Chief Executive Officer to have the delegated authority to approve these tenders, contract award could potentially occur around mid-November. This is around six weeks earlier than the likely date if the report went to the December Council meeting.

The works under these contracts are within the Black Spur Creek and Tarwin River floodplains. Many of the construction activities, particularly for the bridge contract need to be carried out from the floodplain. In addition, access into these sites is extremely difficult due to the barriers created by these streams and access is likely to be obtained through adjacent privately owned and leased property. The construction site and these access paths are low lying and extremely vulnerable to wet weather and flooding. This entire floodplain area has been inundated for long periods over the last 18 months.

It is therefore critical that these works commence at the earliest possible date to maximise the available period for Contractors over the summer months and giving the Chief Executive Officer the necessary delegated authority to award these contracts is a mechanism to achieve this aim.

Proposal

It is proposed that Council delegate to the Chief Executive Officer authority to approve the two GSRT Black Spur contracts subject to the tenders being within budget and the details for these contracts being reported to Council at the earliest possible date after award of the contracts.

Risks

There is a significantly greater risk of these works being pushed into the 2015 wet winter months increasing the potential for suspension of the works if these contracts are not awarded at the earliest possible date.

RECOMMENDATION

That Council:

1. Delegate to the Chief Executive Officer the authority to approve the two contracts for the Black Spur Section for the Great Southern Rail Trail (GSRT) subject to the tenders being within budget.
2. Report the details for the Black Spur Bridges contract (SGC 15/20) and the Black Spur Trail contract (SGC 15/21) to Council at the earliest possible date after award of these contracts.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Davies

SECONDED: Cr Newton

THAT COUNCIL:

1. **DELEGATE TO THE CHIEF EXECUTIVE OFFICER THE AUTHORITY TO APPROVE THE TWO CONTRACTS FOR THE BLACK SPUR SECTION FOR THE GREAT SOUTHERN RAIL TRAIL (GSRT) SUBJECT TO THE TENDERS BEING WITHIN BUDGET.**
2. **REPORT THE DETAILS FOR THE BLACK SPUR BRIDGES CONTRACT (SGC 15/20) AND THE BLACK SPUR TRAIL CONTRACT (SGC 15/21) TO COUNCIL AT THE EARLIEST POSSIBLE DATE AFTER AWARD OF THESE CONTRACTS.**

CARRIED UNANIMOUSLY

E.7 PROPOSED DISCONTINUANCE OF GOVERNMENT ROAD, PART OF FLINDERS STREET, KORUMBURRA

Engineering Services Directorate

EXECUTIVE SUMMARY

This report is presented to Council so that it may consider commencing the statutory procedures for a Government road discontinuance for part of Flinders Street, Korumburra.

This request is from Burra Foods in order for them to resolve a building encroachment issue and to also facilitate an expansion of their facility. The particular section of Flinders Street, Korumburra (Road) to be discontinued is not required for public traffic and once discontinued, the land will be transferred to the Crown. Burra Foods can then commence negotiations with Department of Environment and Primary Industry for the purchase of the land.

Document/s pertaining to this Council Report

- **Attachment 1** - Plan showing encroachment of building onto the Road.
- **Attachment 2** - Detailed plan showing part of Road to be discontinued.
- **Attachment 3** - Locality plan of part of Road to be discontinued.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989 - Sections 207A, 223 and Schedule 10 Clause 3

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Road closure and discontinuance process 2013.

COUNCIL PLAN

Outcome:	3.0	Integrated Services and Infrastructure.
Objective:	3.1	Deliver affordable modern community facilities through an integrated approach to planning and infrastructure development.

CONSULTATION

External Community Consultation

- External consultation pursuant to Sections 207A and 223 of the Local Government Act, 1989 have yet to be undertaken.
- The Department of Environment & Primary Industries has been consulted and is aware that Burra Foods will contact them regarding the purchase of the land to issue from the Road if the discontinuance proceeds.

Internal Consultation

Both Council's Assets and Property Departments have advised that the Road is not required as a public road.

REPORT

Background

Burra Foods has submitted an application to discontinue the Road to resolve a minor encroachment of its buildings (Refer **Attachment 1**) into the Road and to facilitate a further expansion of its plant.

After discussions with Burra Foods management it was decided that the most appropriate way forward was to discontinue the full width of the Road being a total of 1,540m².

This area of the Road is shown in **Attachment 2** and on the aerial locality plan in **Attachment 3**.

Discussion

Current Status of the Road

- A title search confirms that the status of the Road is a Government road and that it is included within a larger section of road with uses as follows:
 - The northern section is currently an unformed road reserve.
 - The southern section is "Flinders Street" and is a constructed Council road. It is listed on Council's Road Register as a public road.
 - A constructed driveway accesses from the southern section of road onto the Burra Foods site.

These uses are shown in the aerial plan in **Attachment 3**.

- The Road is not used as a road and is not required by or currently used by the public.
- Abutting properties all have reasonable alternate legal access to their properties.

Adjoining landowners and Service Authorities

Adjoining landowners and occupiers will be sent letters of explanation outlining the reasons for the proposed road discontinuance and be given an opportunity to put a submission to Council and be heard by a Special Committee of Council.

All service authorities and the Department of Environment & Primary Industries will also be sent letters of explanation.

A further report will be presented to Council detailing submissions received and recommended actions.

Refer to **Attachment 2**, for a detailed plan and **Attachment 3**, for a locality plan of the section of road to be discontinued.

Options

The options available to Council are to:

1. Discontinue the 1,540m² section of Road.
2. Do nothing and continue to leave the Road in its current status.

Proposal

It is proposed that Council commence the statutory procedures to discontinue the Road as described and shown on the plan in **Attachment 1** and that the land from the Road be transferred to the Crown as it is a government road reserve.

Public Submission Process

In accordance with sections 207A and 223 of the Local Government Act 1989, Council is required to give public notice of its proposal to remove the road status from the Road by consulting with and responding to submissions from the local community and affected landowners. This will be attended to by:

- Placing a public notice in the local newspapers and on Council's website in the week commencing Monday 27 October 2014.
- Writing to adjoining land owners and Department of Environment & Primary Industries (DEPI) in the week commencing Monday 27 October 2014.

Section 223 Public Consultation period will be for a 28 day period from publication and close at 5.00pm on Wednesday 17 November 2014.

If a person requests to speak to their submission, a Section 223 Hearing Session will be held on Wednesday 10 December 2014 at 12.45pm in the Council Chamber, Leongatha to hear submissions.

Council will receive a further report to discuss the outcome of the Section 223 process and, if appropriate, recommend completing the road discontinuance by placing a statutory notice to this effect in the Victoria Government Gazette and in accordance with Schedule 10 Clause 3, of the Local Government Act, 1989.

FINANCIAL CONSIDERATIONS

There is no financial impact to Council.

RISKS

The discontinuance of the road will remove Council's responsibility for the road.

CONCLUSION

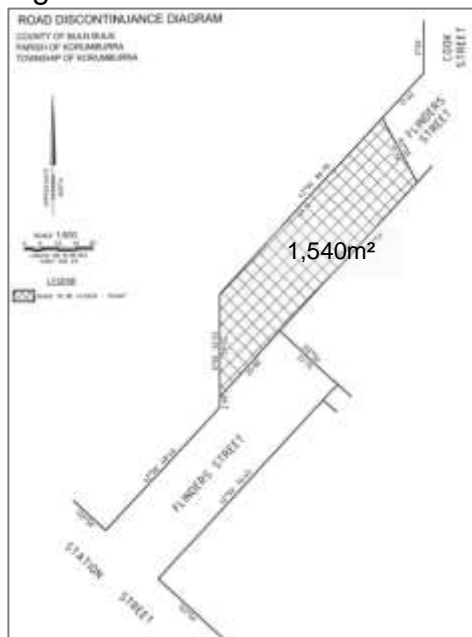
The discontinuance of the Road will resolve the building encroachment issue and facilitate a proposed expansion of the Burra Foods plant.

RECOMMENDATION

That Council:

1. Approve the commencement of the statutory procedures pursuant to Schedule 10 Clause 3 of the Local Government Act 1989 for the proposed discontinuance of a 1,540m² section of Flinders Street, Korumburra as shown hatched on the plan below and that the land from the Road be transferred to the Crown.

Figure 1:



2. Give public notice in the local newspapers and on Councils website week commencing 27 October 2014 of the proposal in accordance with Sections 207A and 223 of the Local Government Act 1989 and write to the Department of Sustainability and Environment, all service providers and affected land owners with a property abutting the road proposed to be discontinued.
3. In the public notice clearly state:
 - a. If discontinued, Council proposes to transfer the land from the Road to the Crown.
 - b. A person may make a submission to the proposal no later than 5:00pm on Wednesday 17 November 2014 addressed to the Chief Executive Officer, South Gippsland Shire Council, Private Bag 4, Leongatha 3953 or delivered to the Council Office, 9 Smith Street, Leongatha.
 - c. All submissions will be considered in accordance with Section 223 of the Act.

- d. Any person making a written submission is entitled to state in their submission that he or she wishes to appear in person, or be represented by a person specified in the submission, at a meeting to be heard in support of their submission.
 - e. Copies of submissions (including submitters' names and addresses) will be made available at the Council or Special Committee meeting at which the proposals are considered and Council is required to make submissions available for public inspection for a period of twelve months.
 - f. The time, date and place for hearing of submissions.
4. Fix the time, date and place for hearing of persons who wish to be heard in support of their submission at a the 223 Hearing Session on Wednesday 10 December 2014 at 12.45pm in the Council Chamber, Leongatha Memorial Hall and include these details in the public notice.
 5. Appoint the Strzelecki Ward Councillors and the Mayor as the committee to hear these submissions and prepare a report containing all submissions received for the purpose of the submission hearing.
 6. Advise those persons who wish to be heard in support of their submission of the date, time and place of the hearing of submissions as soon as practicable.
 7. Receive a final report of its proceedings and a summary of the outcome of the Section 223 process.

STAFF DISCLOSURE OF INTEREST

Nil

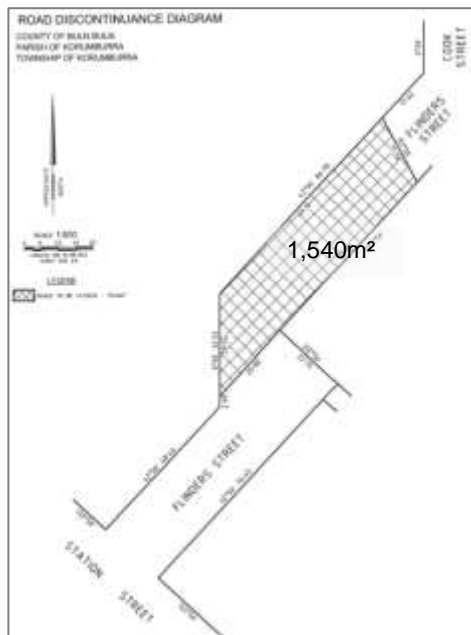
MOVED: Cr Newton

SECONDED: Cr Brunt

THAT COUNCIL:

1. **APPROVE THE COMMENCEMENT OF THE STATUTORY PROCEDURES PURSUANT TO SCHEDULE 10 CLAUSE 3 OF THE LOCAL GOVERNMENT ACT 1989 FOR THE PROPOSED DISCONTINUANCE OF A 1,540M² SECTION OF FLINDERS STREET, KORUMBURRA AS SHOWN HATCHED ON THE PLAN BELOW AND THAT THE LAND FROM THE ROAD BE TRANSFERRED TO THE CROWN.**

FIGURE 1:



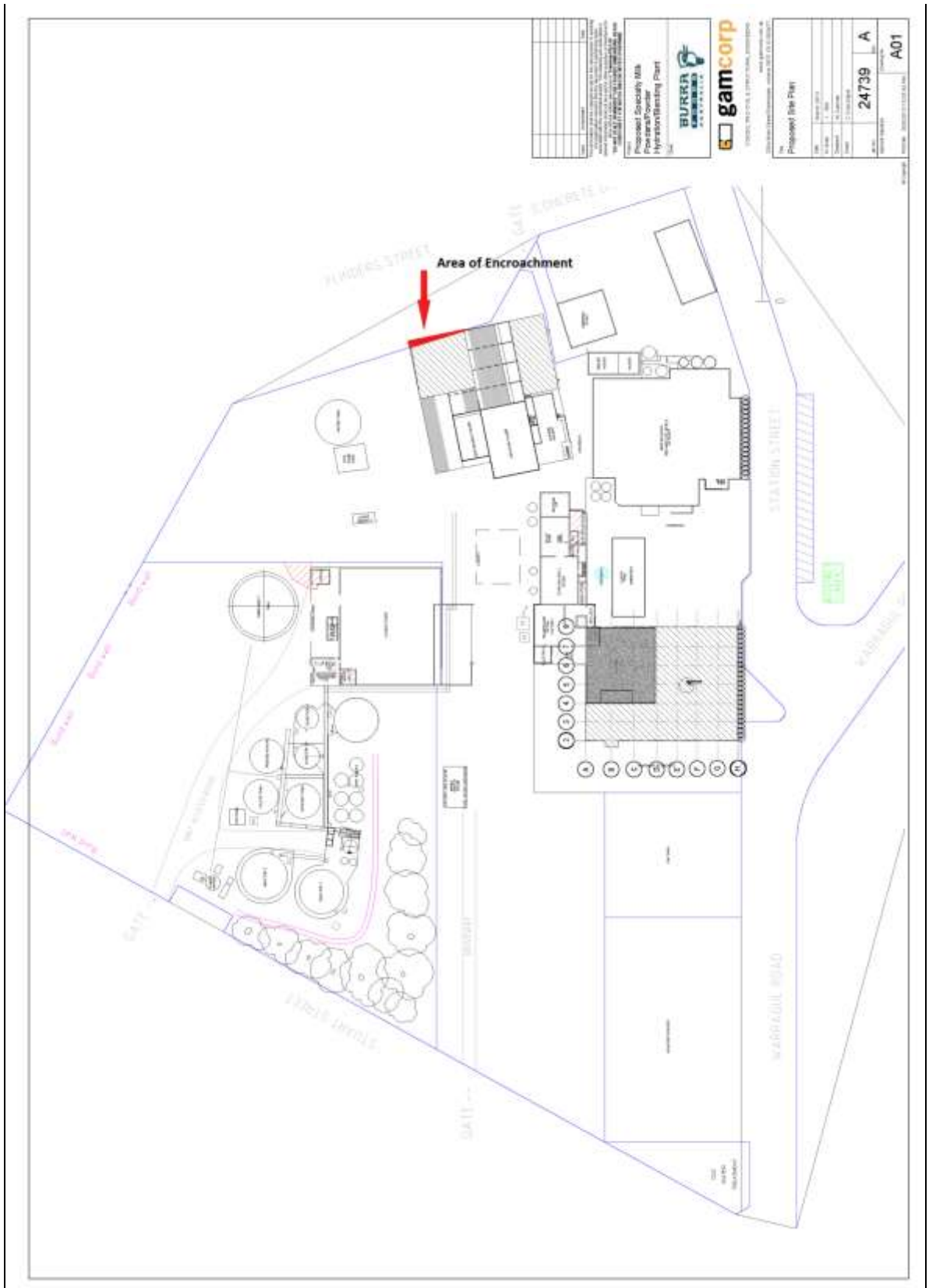
2. **GIVE PUBLIC NOTICE IN THE LOCAL NEWSPAPERS AND ON COUNCILS WEBSITE WEEK COMMENCING 27 OCTOBER 2014 OF THE PROPOSAL IN ACCORDANCE WITH SECTIONS 207A AND 223 OF THE LOCAL GOVERNMENT ACT 1989 AND WRITE TO THE DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT, ALL SERVICE PROVIDERS AND AFFECTED LAND OWNERS WITH A PROPERTY ABUTTING THE ROAD PROPOSED TO BE DISCONTINUED.**
3. **IN THE PUBLIC NOTICE CLEARLY STATE:**
 - a. **IF DISCONTINUED, COUNCIL PROPOSES TO TRANSFER THE LAND FROM THE ROAD TO THE CROWN.**
 - b. **A PERSON MAY MAKE A SUBMISSION TO THE PROPOSAL NO LATER THAN 5:00PM ON WEDNESDAY 17 NOVEMBER 2014 ADDRESSED TO THE CHIEF EXECUTIVE OFFICER, SOUTH GIPPSLAND SHIRE COUNCIL, PRIVATE BAG 4,**

**LEONGATHA 3953 OR DELIVERED TO THE COUNCIL OFFICE,
9 SMITH STREET, LEONGATHA.**

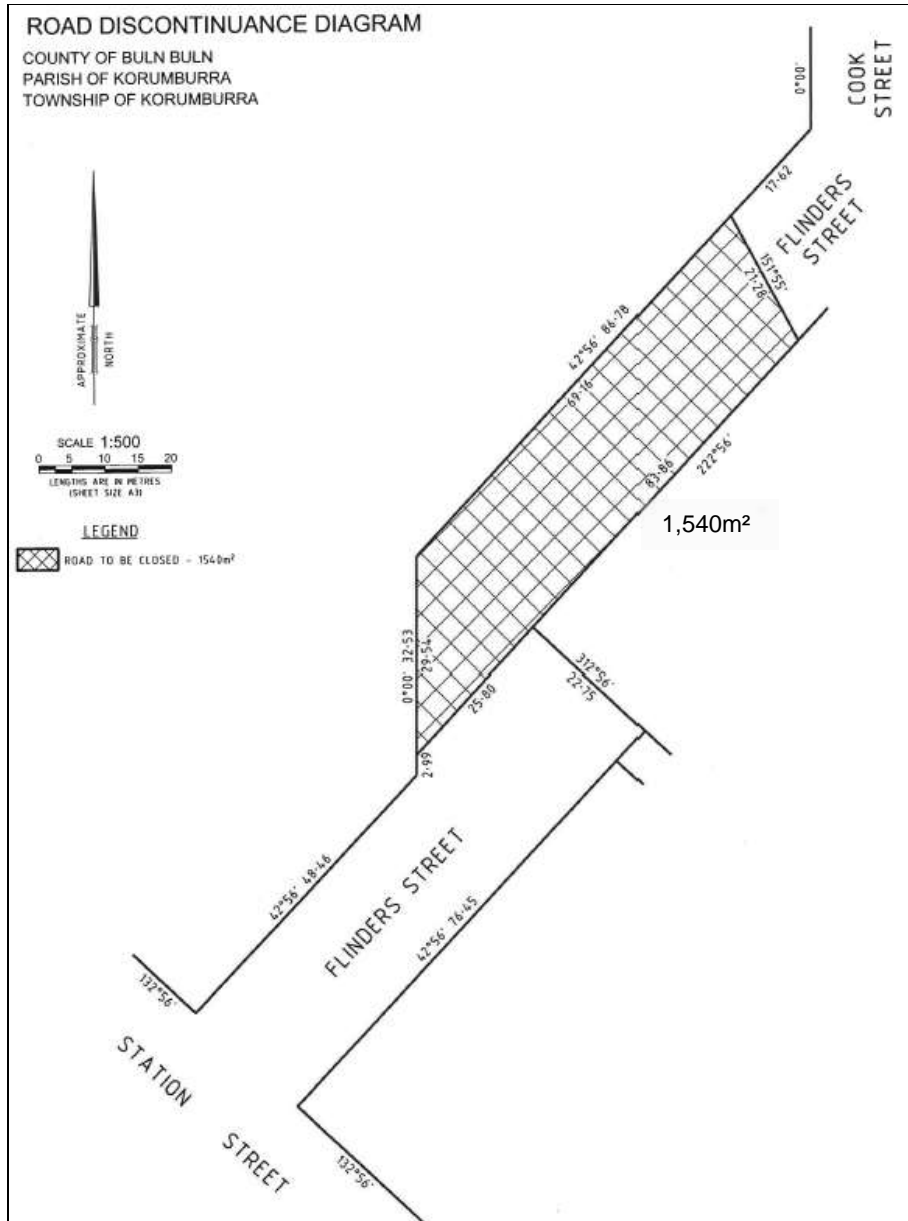
- c. ALL SUBMISSIONS WILL BE CONSIDERED IN ACCORDANCE WITH SECTION 223 OF THE ACT.**
 - d. ANY PERSON MAKING A WRITTEN SUBMISSION IS ENTITLED TO STATE IN THEIR SUBMISSION THAT HE OR SHE WISHES TO APPEAR IN PERSON, OR BE REPRESENTED BY A PERSON SPECIFIED IN THE SUBMISSION, AT A MEETING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION.**
 - e. COPIES OF SUBMISSIONS (INCLUDING SUBMITTERS' NAMES AND ADDRESSES) WILL BE MADE AVAILABLE AT THE COUNCIL OR SPECIAL COMMITTEE MEETING AT WHICH THE PROPOSALS ARE CONSIDERED AND COUNCIL IS REQUIRED TO MAKE SUBMISSIONS AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD OF TWELVE MONTHS.**
 - f. THE TIME, DATE AND PLACE FOR HEARING OF SUBMISSIONS.**
- 4. FIX THE TIME, DATE AND PLACE FOR HEARING OF PERSONS WHO WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION AT A THE 223 HEARING SESSION ON WEDNESDAY 10 DECEMBER 2014 AT 12.45PM IN THE COUNCIL CHAMBER, LEONGATHA MEMORIAL HALL AND INCLUDE THESE DETAILS IN THE PUBLIC NOTICE.**
 - 5. APPOINT THE STRZELECKI WARD COUNCILLORS AND THE MAYOR AS THE COMMITTEE TO HEAR THESE SUBMISSIONS AND PREPARE A REPORT CONTAINING ALL SUBMISSIONS RECEIVED FOR THE PURPOSE OF THE SUBMISSION HEARING.**
 - 6. ADVISE THOSE PERSONS WHO WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION OF THE DATE, TIME AND PLACE OF THE HEARING OF SUBMISSIONS AS SOON AS PRACTICABLE.**
 - 7. RECEIVE A FINAL REPORT OF ITS PROCEEDINGS AND A SUMMARY OF THE OUTCOME OF THE SECTION 223 PROCESS.**

CARRIED UNANIMOUSLY

Attachment 1
Plan showing encroachment of building onto road



Attachment 2
Plan showing part of Road to be discontinued



Attachment 3
Locality plan of Road to be discontinued



E.8 AWARD OF TENDER SGC15/09 SUPPLY AND DELIVERY OF WORK WEAR, SAFETY EQUIPMENT AND ASSOCIATED PRODUCTS

Engineering Services Directorate

EXECUTIVE SUMMARY

The purpose of this report is to recommend awarding of Tender SGC15/09 Supply and Delivery of Work Wear, Safety Equipment and Associated Products (the Tender).

It is proposed the Contract shall operate on a schedule of rates basis and will be for a three year term, commencing 1 December 2014.

Documents pertaining to this Council Report

- **Confidential Appendix 1** - Tender Evaluation Summary

A copy of **Confidential Appendix 1** has been distributed separately to Councillors and the Executive Leadership Team.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

- Local Government Procurement Best Practice Guidelines
- Local Government Act 1989
- Occupation Health and Safety Act 2004

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Procurement Policy 2014

COUNCIL PLAN

Outcome	3	Integrated Services and Infrastructure
Outcome:	3.1	Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development
Strategy No:	3.1.4	We will plan for the service needs of the Shire's changing demographic.

CONSULTATION

Tender specifications were developed in consultation with relevant officers involved in the use of work wear, safety equipment and associated products, taking into account necessary statutory requirements. The Tender was listed on the Council's web site and advertised in The Age and the local newspapers in July 2014.

REPORT

Background

This Tender will allow Council to establish a supplier (Contractor) for the supply and delivery of work wear, safety equipment and associated products for the Council.

In accordance with Council's Procurement Policy and procedures for tendering, an Evaluation Panel was convened on 18 August 2014 to assess submissions to the Tender. The Evaluation Panel consisted of the Acting Director Engineering Services, Operations Business Coordinator, Operations Administration Team Leader and Contracts Administrator.

The submissions were assessed in accordance with the criteria specified in the Tender documentation.

A summary of the Tender Evaluation has been included in confidential **Attachment 1**.

Discussion

Two submissions were received as follows:

1. Protector Alsafe Pty Ltd.
2. BOC Limited.

Each of the above submissions included a schedule of rates with prices for the supply and delivery of work wear, safety equipment and associated products, along with all necessary information regarding their business details, experience, capacity and availability, evidence of insurances and their level of OH&S systems as requested by the Tender document.

Both submissions were conforming Tenders. However, Protector Alsafe Pty Ltd requested minor amendments to the Tender in the form of minor wording changes to the Terms and Conditions. The request included:

1. Additional items relating to limit of liability and exclusion of consequential loss.
2. Include a clause 10 relating to price rise and fall.

This clause refers to a price review mechanism, whereby the Contractor reserves the right to review its tendered pricing, subject to extraordinary justifiable market movements, such as variations to the Australian \$ exchange rate, import duties and the changes to prices of world commodity based goods. If implemented, these prices will be held for the following 12 months.

These requests have been assessed and evaluated by the Evaluation Panel and deemed low risk.

Proposal

It is proposed that Council award Tender SGC15/09 - Supply and Delivery of Work Wear, Safety Equipment and Associated Products to Protector Alsafe Pty. Ltd. Being the highest scoring tenderer. The Contract will commence on 1 December 2014 for a period of three years.

FINANCIAL CONSIDERATIONS

The purchase of work wear, safety equipment and associated products can be accommodated within Council's annual maintenance budget and is included in the Long Term Financial Plan.

Over the last two years, Council has spent between \$40,000 and \$50,000 per year on work wear, safety equipment and associated products.

CONCLUSION

The successful tenderer has satisfied the selection criteria and is deemed to be able to provide the service required.

RECOMMENDATION

That Council:

1. Award Tender SGC15/09 SUPPLY AND DELIVERY OF WORK WEAR, SAFETY EQUIPMENT AND ASSOCIATED PRODUCTS to PROTECTOR ALSAFE PTY LTD for a period of 3 years, commencing 1 December 2014.
2. Authorise the Chief Executive Officer to Sign and affix the Common Seal of the South Gippsland Shire Council to the Contract documents.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Newton

SECONDED: Cr Harding

THAT THE RECOMMENDATIONS IN ITEMS E.8 AND E.9 BE ADOPTED.

CARRIED UNANIMOUSLY

E.9 AWARD OF TENDER SGC15/16 - RECONSTRUCTION OF GRAY STREET LEONGATHA

Engineering Services Directorate

EXECUTIVE SUMMARY

The purpose of this report is to recommend awarding Tender 'SGC15/16 - Reconstruction of Gray Street Leongatha' to Sure Constructions Pty Ltd.

The contract commences after Council approval and ends by 30 April 2015.

Document/s pertaining to this Council Report

- **Confidential Appendix 1** - Evaluation Summary & Lump Sum Figures excluding GST.

A copy of **Confidential Appendix 1** has been distributed separately to Councillors and the Executive Leadership Team.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

- Local Government Procurement Best Practice Guidelines
- Local Government Act 1989

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Procurement Policy 2014
- Road Management Plan 2013

COUNCIL PLAN

Outcome:	3.0	Integrated Services and Infrastructure
Objective:	3.1	Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.
Strategy:	3.1.4	We will plan for the service needs of the Shire's changing demographic.

CONSULTATION

Tender specifications were developed in consultation with the Manager Engineering & Projects, Engineering Coordinator and Asset Engineer to comply with Council's Procurement Policy 2014.

REPORT

Background

Tender SGC15/16 was advertised in The Age and regional newspapers on 28 August 2014 and closed on 23 September 2014. Tender submissions were sought from experienced civil engineering contractors for the Reconstruction of Gray Street Leongatha.

This project is being delivered under a Special Charge Scheme declared by Council at its May 2014 meeting.

An Evaluation Panel was convened on 06 October 2014 to assess the Tenders. The panel had an independent chair appointed by the CEO to play a non-evaluation, probity observer role in accordance with Clause 2.2.5 of the Procurement Policy as tenderer included a subcontract price from Council's Sealing Crew. No staff in the evaluation panel has involvement in the depot operation.

The Evaluation Panel consisted of the Manager Engineering & Projects (as Director Engineering Services delegate), Engineering Coordinator, Asset Engineer and Contracts Administrator.

The Tenders were assessed in accordance with the criteria specified in the contract documentation.

A copy of the Tender Evaluation Summary has been included in **Confidential Appendix 1**.

Discussion

Reconstruction of Gray Street Leongatha has been budgeted and nominated for implementation during the 2014/15 financial year.

Two submissions were received from the following tenderers:

1. Sure Constructions Pty Ltd.
2. ADA Construction Services Pty Ltd.

Both contractors submitted lump sum prices for the Reconstruction of Gray Street Leongatha.

Proposal

It is proposed that Council award Tender 'SGC15/16 - Reconstruction of Gray Street Leongatha' to Sure Constructions Pty Ltd for the lump sum amount of \$688,262.96 including GST.

FINANCIAL CONSIDERATIONS

The recommended tender amount is slightly above the budget for this project. However, given the contingency allowance in the contract, it is considered the works can be accommodated within Council's adopted budget.

RISKS

With the contract in place for the Reconstruction of Gray Street Leongatha, Council mitigates the risk of:

- Continued deterioration of the existing road pavement
- Inadequate stormwater drainage
- Road user safety
- Current level of service declining
- Higher maintenance costs
- Future higher construction costs.

CONCLUSION

Awarding of Tender SGC15/16 to Sure Constructions Pty Ltd will enable Council to successfully complete the Reconstruction of Gray Street Leongatha within the 2014/15 financial year.

RECOMMENDATION

That Council:

1. Approve the awarding of Tender SGC15/16 Reconstruction of Gray Street Leongatha to SURE CONSTRUCTIONS (VIC) PTY LTD for the Lump Sum Amount of \$688,262.96 (Including GST).
2. Authorise the Chief Executive Officer to sign and affix the Common Seal of the Municipality to the Contract Documents.
3. Authorise the Manager Engineering & Projects to approve any variations, which are within the contingency allowance of the Contract.
4. Authorise the Chief Executive Officer to approve any variations above the contingency allowance and above the allocated budget, with the variation to be reported to the next practical Council meeting.
5. Nominate the Manager Engineering & Projects as the Superintendent for this Contract.

STAFF DISCLOSURE OF INTEREST

Nil

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion, refer to page 107.

E.10 APPOINTMENT OF INDEPENDENT MEMBER TO COUNCIL AUDIT COMMITTEE

Corporate Services Directorate

EXECUTIVE SUMMARY

This report provides an opportunity to consider a proposal to reappoint Ms Theresa Glab as an independent member of Council's Audit Committee for a second and final three year term.

Document/s pertaining to this Council Report

- Nil

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989 section 139

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Audit Committees A Guide to Good Practice for Local Government - Local Government Victoria January 2011
- Audit Policy - South Gippsland Shire Council June 2013
- Audit Committee Charter - South Gippsland Shire Council November 2013

COUNCIL PLAN

Outcome:	4.0	A Leading Organisation
Objective:	4.2	Pursue Best Practice in Organisational Development and Operations of the Organisation
Strategy:	4.2.2	We will monitor corporate governance processes, including risk management and skills development with the aim of ongoing improvement

CONSULTATION

Ms Glab has been consulted and is willing to be reappointed.

REPORT

Background

The Audit Committee is an advisory committee, whose role it is to oversee and monitor Council's audit processes, including internal control activities. The committee comprises three independent community members, one of which is the Committee Chair, and two Councillors (Councillors Davies and Fawcett). The Committee is independent from management and does not

have any executive powers, management function or delegated financial responsibility.

Independent members may serve a maximum of two terms of three years as authorised in Council's Audit of Policy and Audit Committee Charter C08.

Ms Glab was appointed by Council to the Audit Committee for an initial three year term from 21 December 2011 to 30 November 2014. Ms Glab is currently the Chair of the Audit Committee. Ms Glab is also an Audit Committee member of the Audit Committees for the Mitchell Shire, Baw Baw Shire and City of Melbourne. In addition Ms Glab is a Board Member of the Gippsland Waste and Recovery Group.

Options

Council has the option of:

1. Reappointing Ms Glab for a second and final three year term commencing 1 December 2014 to 30 November 2017; or
2. Not reappointing Ms Glab and not filling the third independent member position; or
3. Not reappointing Ms Glab and advertising for a new independent member for the Audit Committee to fill the vacancy for the third independent member position.

Proposal

It is proposed that Ms Glab be appointed for a second and final three year term based on the demonstrated expertise she brings to the Committee.

FINANCIAL CONSIDERATIONS

Funds for the internal audit function are allocated in the current and forward budgets.

Independent members are paid a meeting fee and travel expenses are reimbursed, both payable by Council. These are provided for in the Council Budget.

RISKS

The Audit Committee undertakes an integral and active role in risk mitigation, including financial and environmental, and overseeing organisational compliance with legislation. The expertise of independent members of the Audit Committee is essential to the effective performance of this Committee.

CONCLUSION

It is proposed that Ms Glab be appointed for a second and final three year term based on the demonstrated expertise brought to the Committee by Ms Glab.

RECOMMENDATION

That Council reappoint Ms Theresa Glab as an independent member of the Council Audit Committee for a second and final three year term from 1 December 2014 to 30 November 2017.

STAFF DISCLOSURE OF INTEREST

Nil

MOVED: Cr Davies

SECONDED: Cr Fawcett

THAT COUNCIL:

- 1. NOTE THAT MS THERESA GLAB HAS WITHDRAWN HER CANDIDACY FOR A SECOND AND FINAL TERM AS AN INDEPENDENT MEMBER OF COUNCIL'S AUDIT COMMITTEE;**
- 2. ENDORSE SENDING A LETTER OF THANKS TO MS GLAB FROM THE MAYOR TO ACKNOWLEDGE HER CONTRIBUTION TO COUNCIL'S AUDIT COMMITTEE; AND**
- 3. DEFER CONSIDERATION OF THE INDEPENDENT MEMBERSHIP OF COUNCIL'S AUDIT COMMITTEE UNTIL COUNCIL IS ABLE TO FURTHER DELIBERATE THE MATTER.**

CARRIED UNANIMOUSLY

SECTION F - URGENT OR OTHER BUSINESS

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

1. Urgent Business

Normally no motion should be debated by Councillors 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 Councillor 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 Councillorbe 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 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.

2. Other Business

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

Nil

SECTION G – GENERAL QUESTION TIME

G.1 QUESTION TIME

Cr Hill addressed Council by asking the following questions.

Question 1:

Can Council confirm the following statement?

During the 2013/14 budget process, once the expenditure side of the equation had been determined by Council, the Finance team applied the required rate increases per annum to ensure that the Financial strategies remain intact which involved a requirement for higher rate increases up front to ensure credibility of the underlying working capital ratio. As this base was increased up front in 2013/14, it had a cumulating impact going forward and this increasing cumulating effect has created the additional funds in the latter years. (The \$34 Million).

Question 2:

Does Council consider it appropriate to over-charge ratepayers by this (\$34 million) amount of money and how does this agree with the requirements of Council to set a rate after determining the ability of ratepayers to pay such an increase? Does Council consider that ratepayers are able to pay average of 7% rate rises per annum for 15 years?

Question 3:

Can Council confirm that Council increased the 15 year Budget from 2012-2013 to 2013-2014 (for the years 2014-2015 to 2026-2027) by over \$53 million and is it fair to say that this amount could be accounted for by the following expenditures?

- a. \$34 million into unallocated roads**
- b. \$12 million into over-estimated revenue needs going forwards**
- c. \$8 million for unrequired infrastructure**

Question 4:

Was this \$53 million increase explicitly pointed out to Council at the time and was it detailed within the confidential Appendix 6 - Proposed Capital Works Program 2013-14 - 10 April 2013 - Paper No. 3 which was I believe the document that showed all the summary of amendments to the 15 year program?

The questions were taken on notice and will be answered at the next appropriate Council Meeting.

Mr Ron Wangman addressed Council by asking Council a question in relation to the Council Agenda item B.2 NOTICE OF MOTION NUMBER 671 – COAL SEAM GAS (CSG) AND FRACKING IN SOUTH GIPPSLAND and would Council consider reviewing today’s decision after the election?

The Mayor responded by indicating that Councillors may respond when there is a change in the circumstance as set by the Government regarding Coal Seam Gas in South Gippsland.

Cr Kennedy returned to the Meeting at 4.32pm.

Mr Paul Norton addressed Council by asking the Mayor who would be Mayor next year?

The question was taken on notice and will be answered at the next appropriate Council Meeting.

G.2 ANSWERS TO PREVIOUS QUESTIONS ON NOTICE

Noted.

At the Ordinary Council Meeting 24 September 2014 questions were taken on notice from Mr Paul Norton and responses are now provided.

Question 1:

Re: proposed Leongatha Long St By Pass

As the houses and Medical Clinic fronting Long Street between Ogilvy Street (Nerrena Road) and Jeffrey St are zoned residential.

Council may consider rezoning these Blocks Light Commercial as to not to encumber the traffic along the Bypass the frontage of these to the Bypass (Long St) should be blocked off. To then enable access to these blocks Dr Woods Lane should be widened by way of Land being 'taken' from the rear of these blocks. I don't believe VicRoads and or Council at this stage have had a proactive and friendly interaction with these landowner.

Response:

The proposed access on VicRoads concept design to the Long Street Medical Clinic is left-in/left-out currently exists compared to full turn movements at the moment to improve safety.

Question 2:

As I believe it would be impracticable for not only so called disabled pedestrian but also offers including children to "safely cross the new Long Street by pass at Jeffrey St and perhaps A'Beckett St. The only way to effectively stop pedestrians from crossings the by pass would be to close a least Jeffrey St to all vehicles and pedestrians. Then vehicles and some pedestrians would have to "travel" by way of Hassett and Ogilvy Streets to the round about near the Medical Clinic and the ?.

If the pathway along the bypass (between Jeffrey and the Medical Clinic was fenced off. On both sides all pedestrians including so called disabled cyclists and children could then cross the bypass by way of the pedestrian lights at the corner as stated in Spring 2014 Council Matters under Priority Projects. Can Council confirm if the altered pathways or if aren't altered would be compliant with the Disability Discrimination Act DDA. If Council's Access Committee haven't had input to Pedestrian access to the New by pass perhaps a councillor on that committee may choose to "look" at it. Also is Council sure that it would not have a duty of care to not only so called disabled but also "common" pedestrians including children and cyclists to ensure that they use the pedestrian lights to cross the bypass.

Also re: Priority Projects (Council Matters Spring 2014) As preconstruction survey work has now commenced. When the survey work is completed and the plans are "tabled". Will Council (Councillors) have to "pass" the plans. Through Council or will the CEO sign the plans off. Or have the Plans been "passed" by Council already.

Response:

The proposed vehicular access at Jeffrey Street is left-in/left-out compared to full turn movements at the moment to improve safety arrangements at this intersection. The same arrangement is proposed at A'Beckett Street.

For pedestrians, a new refuge will be constructed in the centre of Long Street adjacent Jeffrey Street to facilitate pedestrians who wish to cross at this location. A new footpath will be constructed along the east side of Long Street between Jeffrey Street and A'Beckett Street. Pedestrians from A'Beckett Street and Jeffrey Street who wish to cross at the Long Street/Nerrena Road signalised intersection can use the proposed and existing footpaths along the east side of Long Street. The VicRoads design for any new works will be DDA compliant.

Council Officers will be involved in reviewing detailed design plans when prepared and any relevant issues will be referred to Council's Access and Inclusion Access Committee.

At the Ordinary Council Meeting 24 September 2014 a question was taken on notice from Cr Hill and a response is now provided.

Question:

Can Council confirm that in the forward budget discussions that are going on so far, that the finance team have identified 12 million dollars through re-adjusting of the CPI going forward to a more accurate figure and that that 12 million sits next to the 34 million dollars in unallocated funds at this stage.

Response:

Council is currently reviewing the Capital Works Program to inform the draft 2015 – 2016 Annual Budget. Confidential Council Briefings provide Council with information that is still being debated and therefore confirmation or otherwise is not able to be provided at this time.

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 (the Act), 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.

ITEM 1 CONTRACTUAL MATTER

RECOMMENDATION

That Council close the meeting to the public to allow for consideration of a contractual matter pursuant to section 89(2)(d) as provided for by the Local Government Act 1989.

MOVED: Cr Newton

SECONDED: Cr Kennedy

THAT COUNCIL CLOSE THE MEETING TO THE PUBLIC TO ALLOW FOR CONSIDERATION OF A CONTRACTUAL MATTER PURSUANT TO SECTION 89(2)(D) AS PROVIDED FOR BY THE LOCAL GOVERNMENT ACT 1989.

CARRIED UNANIMOUSLY

**ITEM 1 AWARDING OF TENDER SGC15/15 COLLECTION, TRANSPORT
AND DISPOSAL OF LEACHATE FROM THE KOONWARRA
LANDFILL**

THAT COUNCIL:

- 1. AWARD TENDER SGC15/15 COLLECTION, TRANSPORT AND
DISPOSAL OF LEACHATE FROM THE KOONWARRA LANDFILL TO
CSA SPECIALISED SERVICES PTY LTD FOR THE SCHEDULE OF
RATES ITEMS AS STATED IN SCHEDULE 2 OF THEIR TENDER
SUBMISSION**

SECTION H - MEETING CLOSED

NEXT MEETING

The next Ordinary Council Meeting open to the public will be held on Wednesday, 26 November 2014 commencing at 2pm in the Council Chambers, Leongatha.

The Meeting closed at 4.48pm.

CONFIRMED:.....

CR JEANETTE HARDING - MAYOR

Date:.....