

MINUTES of the Ordinary Meeting of the Horsham Rural City Council held in the Municipal Chambers, Civic Centre, Roberts Avenue Horsham on 18 December, 2017 at 5.30pm.

PRESENT: Cr Pam Clarke, Mayor; Cr Alethea Gulvin, Cr Josh Koenig, Cr Les Power, Cr John Robinson, Cr David Grimble, Cr Mark Radford

ALSO IN

ATTENDANCE: Peter Brown, Chief Executive; Graeme Harrison, Director Corporate Services; Angela Murphy, Director Planning & Economic; Kevin O'Brien, Director Community Services; John Martin, Director Technical Services; Fiona Kelly, Executive Assistant.

1. Reading of prayer and the acknowledgement of country statement

The Prayer and Acknowledge of Country Statement were read by the Chairman, Cr P Clarke.

Cr Clarke advised the gallery that the meeting is being recorded, trialling equipment.

2. Welcome to distinguished guests or persons in the public gallery

Chairman, Cr Clarke welcomed those in attendance to the Council Meeting.

David Bowe	Jessica Grimble	Kerrie Bell	Belinda Browne
Chris Gulvin	Trevor Gulvin	Laurie Pearson	Petena Thomas
Jason Thomas	Cheryl Linke	Cameron Gerlach	Wendy Brown
Kathy Newton	Bev Bell	Lauren Coman	

3. Apologies and request for Leave of Absence

NIL

4. Confirmation of minutes and signing thereof

Moved Cr Radford, seconded Cr Grimble that the Minutes emanating from the Ordinary Meeting of the Horsham Rural City Council held in the Municipal Chambers, Civic Centre, Horsham at 5.30pm on 4 December, 2017 be adopted and to include Chris Warrick as attending the meeting.

CARRIED

5. Disclosure of Conflict of Interest Sec 79, Local Government Act, 1989 (As Amended)

NIL

6. PUBLIC QUESTION TIME

NIL

7. OTHER BUSINESS

7.1 RESUMPTION OF DEBATE ON THE MOTIONS FROM PREVIOUS MEETING

NIL

7.2 RECEPTION AND READING OF PETITIONS, MEMORIALS, JOINT LETTERS AND DEPUTATIONS

NIL

7.3 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

7.3.1 NOTICE OF MOTION NO. 164

Given by Cr David Grimble

TAKE NOTICE that it is my intention to move the following motion at the Ordinary Meeting of the Horsham Rural City Council, to be held at the Civic Centre, Roberts Avenue, Horsham on Monday 18 December, 2017.

“That the following motion passed by Council on Monday 4 December, 2017 -

Moved Cr Radford, Seconded Cr Koenig that Council approve the proposed allocations from the 2016-17 Financial Year Final Cash Surplus.

CARRIED

Be and is hereby RESCINDED.”

Cr David Grimble

CIVIC CENTRE
HORSHAM 3400
13 December, 2017

Moved Cr Grimble, Seconded Cr Robinson that Notice of Motion No. 164 be adopted.

MOTION LOST

Cr Grimble called for a division of Council

In favour of the motion:

Cr Robinson
Cr Grimble

Against the motion:

Cr Koenig
Cr Power
Cr Clarke
Cr Gulvin
Cr Radford

7.4 COUNCILLORS QUESTIONS WITH NOTICE

NIL

7.5 ORDERS OF THE DAY

NIL

8. OTHER REPORTS

8.1 ASSEMBLY OF COUNCILLORS – RECORD OF MEETINGS

Meeting of Councillors held on Wednesday 6 December, 2017 at 7.30am in the Council Chamber.

Council Briefing meeting held on Monday 11 December, 2017 at 5.00pm in the Reception Room.

Refer to **Appendix “8.1A”**.

8.2 SEALING OF DOCUMENTS

Documents Signed and Sealed by Council under Delegation

Local Government Funding Vehicle Program Change of Trustee.

Recommendation

That -

1. Council note the Assembly of Councillors’ – Record of Meetings,
2. The documents as listed be signed and sealed by Council.

Moved Cr Radford, Seconded Cr Power that the recommendation be adopted.

CARRIED

8.3 INWARD CORRESPONDENCE

NIL

8.4 COUNCIL COMMITTEE MINUTES

8.4.1 Horsham Aerodrome Advisory Committee meeting held on Tuesday 12 December, 2017 at 5.30pm at the Horsham Aero Club

Moved Cr Radford, Seconded Cr Gulvin that item no. 8.4.1 be received.

CARRIED

8.4.2 Wimmera Southern Mallee Regional Transport Group (WSM RTG) meeting held on Friday 1 December, 2017 at 12.00pm in the Reception Room, Municipal Offices, Horsham

Moved Cr Radford, Seconded Cr Gulvin that item no. 8.4.2 be received.

CARRIED

8.4.3 RoadSafe Wimmera Inc meeting held on Monday 11 December, 2017 at 7.00pm at the Horsham Sports and Community Club, Baillie Street, Horsham

RECEIVED

Refer to **Appendix "8.4A"**.

9. COUNCILLORS' REPORTS

Cr Koenig

- Cr Koenig thanked everyone for the well wishes for their newest addition to the family, Adeline Anne. All are doing well and the flowers were appreciated. Cr Koenig thanked Peter Brown for the past 12 months, adjusting meeting times for Councillors and the opportunity to attend the ALGA meeting in Canberra. He wished Peter all the best and thanked him for all the support given at sometimes testing conditions.

Cr Power

- 5 December – International Volunteers Day morning tea. It was a good opportunity to recognise volunteers.
- Council Planning Session on 6 December.
- 7 December - Blue Light Disco at Nexus. The committee are looking for people to help with future discos.
- 11 December - Radio program between 9am and 10am on Monday mornings. Talk about points of interest for the community, road safety and other issues.
- 11 December – Horsham Aquatic Centre Committee of Management meeting. It is good that we have volunteers that tell us what they want out of the centre.
- 14 December - CEO Shortlisting.
- 15 December - Christmas festivities with Andrew Broad, Emma Kealy and community members.
- Mayor's Christmas festivities.
- John Coleman passed away unexpectedly. He was a very strong member in the Koori community. Condolences to John's family.

Cr Grimble

- Cr Grimble attended in house meetings during the past fortnight.
- 14 December - Chaired the HRLE Board meeting. Last week was the last sale for 2017. Mutton prices are very high at the moment. The through-put is ahead this year compared to last year which is part due to low stock numbers and the restocking program. The recent power outage at HRLE was discussed and how a contingency should be put in place. There was a funding announcement by the Minister for Agriculture, Jaala Pulford for electronic ID.
- Cr Grimble wished everyone a safe and happy Christmas.
- Cr Grimble offered his condolences to Margaret Matthews' family. She was a well-known CFA member at Laharum and was Horsham Citizen of the Year in 1999. Very sadly her son Robert passed away the next day. He was well known for his football at Laharum and Wonwondah. Austin Eagle and Peter Langlands also passed away.
- Cr Grimble acknowledged Peter Brown for his service to local government over a long period of time. That respect hasn't gone unnoticed.

Cr Gulvin

- 7 December – Horsham Regional Art Gallery meeting. The committee will be undergoing changes. They are looking forward to coming to Council in the New Year. They have a lot to offer and it will be good to hear their thoughts.
- 11 December - Council Briefing.
- Mayor's Christmas party. This was a nice gathering for the end of the year.
- Cr Gulvin thanked Peter Brown for his leadership and guidance. It has meant a lot to be able to meet with him at any time. Thank you Peter.

Cr Robinson

- Cr Robinson acknowledged the recent bereavements in the community. Our thoughts are with their families.
- The Multi User Sports Stadium has featured in discussions. A lot of people haven't caught onto the cost of the stadium. The Mockinya Dam has also featured in discussions. It was thought there was going to be a wipe out with the recent deluge of rain, but all is looking good now.
- Cr Robinson acknowledged Peter Brown's efforts. When we first came onto Council there were four Councillors that had day jobs so meeting times had to be rescheduled. Cr Robinson thanked Mr Brown for bringing the group up to speed when they first started and acknowledged what he has done for the community. Well done Peter.

Cr Radford

- 15 December – Represented the Mayor at the Natimuk Carols by Candlelight held at the Nursing Home. The combined churches put the event on.
- 14 December - PCCC meeting. The group welcomed the new police inspector. The police provided statistics on home violence. Drug offences are on the rise and there are ongoing challenges with family violence and more police have been employed to tackle this. The representative from CFA Dale Russell talked about fire events and advised the fire season is upon us. He talked about the Murtoa fire which was particularly dangerous. We need to keep in the back of our mind to be smart about fires. Finally a reminder of Council's Merit System that has set up to report any issues.
- Cr Radford reinforced that we have lost people in the community. Austin Eagle who was synonymous with the wool growing industry and Mrs Matthews the voice of the CFA at times over the radio, also Mr Langlands. Other families are also grieving at the moment.
- Cr Radford wished everyone in our community all the best for Christmas.
- Peter Brown, he is a safe pair of hands and his fingerprints are right across the community. Cr Radford wished Peter all the best.

Cr Clarke

- Congratulations to Cr Koenig on the arrival of Adeline Anne. This is the first HRCC Councillor to have a baby. We've had our first wedding, now we have our first baby.
- Congratulations to Nia Harrison for winning the Heywire Award, "I might go deaf but I'm not worried". Graeme, please convey our congratulations to Nia.
- 4 December - Meeting to discuss Anzac Bridge Artwork. There are innovative ideas. We need to recognise the Aboriginal men that returned from war. We need a special honour board at the cenotaph. They weren't recognised when they came home.
- 4 December - Chaired the Aboriginal Advisory Committee Meeting.
- 5 December - International Volunteers Recognition Day. They are the glue that holds the community together.
- 6 December – Council Planning day.
- 8 December – Mayoral gathering.
- 8 December - Farewell to Amy Rhodes, Media and Communications Officer.
- 12 December - Tourism Advisory Committee Meeting.
- 12 December – Tour of Changing Places at May Park. It is a state of the art facility for people who have profound disabilities. This facility will make travel easier for people with disabilities.
- 14 December - Launched the Town Hall season brochure and Enmeshed at the Art Gallery.
- Inaugural Special School Deb Ball. It was amazing. Young women were dressed up, make up done, smiles and cheers. Congratulations to everyone involved. They are going to make it an annual event.
- Roundtable discussions at Federation University.
- Christmas dinks with Emma Kealy and Andrew Broad.
- Cr Clarke talked about Peter Brown. Often the work of a CEO is done in the background where the community can't see what is done. Peter can be very proud of the Town Hall and Art Gallery project, WIFT, Kalkee Children's Hub, Horsham Industrial Estate, redevelopment of Horsham College, Pedestrian Bridge, Infrastructure Renewal Gap which he has worked very hard to maintain. His latest passion is to get passenger rail back to Horsham. We will continue with the advocacy work and not give up. He reorganised the staff and organisation in a quiet way with a strong sense of collaboration. He has the respect of this Council and the community and every level of government. Cr Clarke commended and congratulated Peter's wife Wendy for supporting him. On behalf of the HRCC and the community, thank you for your commitment and passion, you will be missed and greatly respect your decision to leave.
- Cr Clarke wished everyone a very merry Christmas.

Moved Cr Koenig, Seconded Cr Gulvin that the Councillors' Reports be received.

CARRIED

10. OFFICERS REPORTS

10.1 CHIEF EXECUTIVE

10.1.1 MOTOCROSS

PF Brown / John Martin / Susan Surridge File Ref: F20/A02

Purpose

This report advises Council in relation to critical infrastructure improvements required at the Dooen Motocross Track and funding which Council has been seeking.

Background

For the past 18 months, Horsham Rural City Council has been working with the Horsham Motorcycle Club and Regional Development Victoria to secure funding for a critical infrastructure upgrade at the Dooen Motocross Track.

On the advice of Regional Development Victoria, Council applied unsuccessfully to Tourism Victoria for infrastructure funding in late 2016. An application was then lodged to Regional Development Victoria on 31 May 2017 for a \$300,000 grant towards a planned infrastructure upgrade for the 2018 World Junior Motocross Championships. During August-September 2017, Council became aware that the success of this application was unlikely and on 7 November 2017, we were advised that it was unsuccessful. Attached as **Appendix "10.1A"** is a letter from the Mayor to The Hon Jaala Pulford, MLC, Minister for Regional Development on 19 October, 2017 and the response from Ms Pulford on 15 November 2017.

Since then, Council has been in discussions with the Horsham Motorcycle Club in relation to critical infrastructure requirements for the World Championships to ensure that the club can safely and effectively cater for the world event next August. A successful world junior motocross event will assist bids to host future world senior events and future rounds of Australian motocross championships. These events attract large numbers of entrants and visitors to our region, providing significant economic benefit.

Issues

1. Critical Racing Infrastructure

In preparation for the 2017 Australian Junior Motocross Championships, the club completed the following essential works:

Infrastructure Item	Amount \$ (ex GST)
Additional wash bays	20,000
Start line upgrade	4,000
Start line gantry	52,530
Gantry signage (Horsham/Australia)	1,730
Total club commitment as at 14/11/17	78,260

Note: \$10,000 funding from 2017-2018 and \$10,000 from 2016-2017 Horsham Rural City Council Community Grants Program and \$10,000 from 2016-2017 TEFFA funding form part of the club's cash contribution towards installation of critical racing infrastructure

Representatives of FIM (Federation Internationale de Motocyclisme) and Youthstream visited Horsham and the Motocross facilities on 8 and 9 December. Resulting from this meeting and track inspection is a final list of critical racing infrastructure required for the World Championships as follows:

Infrastructure Item	Amount \$ (ex GST)
1. Security lighting and switchboard upgrade	31,882
2. Timing system upgrade and installation	12,000
3. Extension of pit-board area to cover 11 additional monitors	3,000
4. Safety fencing (250 metres north and south ends)	20,661
Total funding request to Council	67,543

Notes on requirements:

1. Switchboard upgrade includes additional power capacity and installation of circuit breakers to isolate key requirements of the event. i.e. timing system.
2. Timing system – the initially proposed second timing system to the half-way point of track is now not required. Timing connection to the pit board area is crucial and requires hard wiring to support the eleven additional monitors required for the event.
3. Extension of the pit-board area is required to create the physical space for 11 additional monitors
4. FIM are very happy with standard of safety fencing to date and have requested the completion of the north and south ends, but noted that the whole reserve does not need to be fenced.

2. Grandstand

The Horsham Motorcycle Club has advised that following Regional Development Victoria's rejection of the grant application, they have purchased two portable grandstands from the Horsham A&P Society which they intend to relocate and refurbish at their own cost to provide some additional trackside seating.

3. Road Infrastructure

The Regional Development Victoria funding application noted the safety issues relating to traffic exiting the Henty Highway at the Horsham Pistol Club entrance, where there is no turning lane. During an event, there are many large trailers and vans using this access road. The Horsham Motorcycle Club also noted the need for all-weather parking on the sides of the access road if there is wet weather during the event. The cost of sealing the access road from River Heights Road to Dooen Recreation Reserve is \$210,000. The sealing of the access road will provide safety benefits to the motorcycle club and other users of the reserve.

Total cost of sealing access road from River Heights Road to Dooen Recreation Reserve	\$210,000
Funding:	
DEDJTR Department of Transport Grant (confirmed)	\$50,000
Horsham Rural City Council 2017-2018 Roads Budget Allocation	\$90,000
Additional funding required from Council to complete road project	\$70,000

Notes:

- 1. If the Road Infrastructure is not completed, Council will return the DEDJTR confirmed funding of \$50,000*
- 2. The motocross track has been used on average 78 days per year over the past three years, including many national and state level events.*

Event Safety

Safety for competitors and spectators has been a key element of planning for the 2018 event. Key stakeholders, Ambulance Victoria and Wimmera Health Care Group, have commenced a partnership-based approach with Council and the Motocross Club for medical services planning of the 2018 event.

At the initial meeting of this group, held on 6 December, all parties expressed a commitment to help deliver a safe and successful event in 2018. The Motocross Club has already committed to engaging the company Race Safe to provide on-track medical services for this event - the Ambulance Victoria representative at the meeting confirming the level of professionalism of this company.

Further details of medical support arrangements will be developed through the partnership in early-2018.

Track safety was also a focus of the FIM Race Director, who attended the inspection on 8-9 December. The Race Director indicated that the track is "a very safe track".

Financial

At the meeting on 20 November 2017, Council considered a number of matters in relation to finance, including a cash surplus from the 2016-2017 financial year. It was the intention that part of the resolution before Council to place some of that surplus into a major capital works reserve was to provide funds to assist with the critical infrastructure requirements of the Horsham Motorcycle Club.

Links To Council Plans, Strategies, Policies

2017-2021 Council Plan:

2.3.4 Explore opportunities from the 2017-2018 Australian and International Motocross Events

Recommendation

1. That Council provides \$67,543 to the Horsham Motorcycle Club to assist with critical infrastructure at the Dooen Motocross Track, conditional upon the Motocross Club agreeing to participate in regular monthly meetings with Council and other stakeholders to maximise the economic benefit of the event to the region to be funded from the capital works reserve.
2. That Council allocates a further \$70,000 to complete access road upgrades at the Dooen Motocross Track, provide all weather access and to improve safety at the track to be funded from the capital works reserve.

Moved Cr Grimble, Seconded Cr Koenig that the recommendation be adopted.

CARRIED

10.1.2 OUTSTANDING COUNCIL RESOLUTIONS

PF Brown/SG Frankham File Ref: F19/A11/000001

Purpose

To provide an update on the Outstanding Council Resolutions Action List and the Completed Council Resolutions Action List.

Background

Horsham Rural City Council has a procedure in place to ensure that all resolutions passed by Council are closely monitored and actioned within the required timeframe. Resolutions are placed on the Outstanding Council Resolutions Action List after each Council meeting and updated by the responsible officer once their action is completed.

At the start of each month, the Outstanding Council Resolutions Action List is reviewed by the Executive Management Group and circulated to Councillors, where there is an opportunity to seek clarification on any of the actions contained in the list. Completed actions are then transferred to a Completed Council Resolutions Action List. The Outstanding Council Resolutions Action List and Completed Council Resolutions Action List is presented to Council annually for information.

Attached as **Appendix “10.1B”** is the Outstanding Council Resolutions Action List and **Appendix “10.1C”** the Completed Council Resolutions Action List as at 30 November 2017 for the information of Council.

Consultation/Communication

The Outstanding Council Resolutions Action List is reviewed by the Executive Management Group and circulated to Councillors at the start of each month. This provides the opportunity for Councillors to seek clarification on any of the items contained in the Action List.

Links To Council Plans, Strategies, Policies

2017-2021 Council Plan

- Goal 4 – Governance and Business Excellence
- Horsham Rural City Council Procedure No P04/003 – Council Resolutions

Provided for information of Council.

Moved Cr Robinson, Seconded Cr Radford that the report be received.

CARRIED

10.1.3 APPOINTMENT OF THE PRINCIPAL CONDUCT OFFICER

Graeme Harrison

File Ref:

Purpose

To appoint a person to perform the function of the Principal Conduct Officer, (PCO) under Section 81Y of the Local Government Act 1989 (the Act).

Background

Section 81Y of the Act requires the Chief Executive officer to appoint in writing a PCO. The PCO must be a senior officer of council (Director) or a person that is suitably qualified to perform the function (but cannot be the CEO themselves). If the person is to not be a Senior Officer then they must be appointed by resolution of Council.

The role of the PCO is to administer the dispute resolution processes as defined in both the Act and in the Councillor's Code of Conduct, and to assist in related administrative processes.

The current PCO is Mr Graeme Harrison, Director Corporate Services, who has been appointed as Acting CEO for the period from 2 Jan 2018 to, at this stage, the 31 March 2018 or earlier if a new CEO commences before then.

As a result a replacement PCO for this period will need to be appointed.

Issues

On consideration of relevant matters and circumstances following the CEO's departure it is recommended that Lauren Coman Regulatory Services Manager be appointed as the PCO. Lauren Coman has a Bachelor of Arts / Law degree and prior to being employed at council was an associate to a Supreme Court Justice, practiced as a solicitor for two years and practiced at the Queensland Bar as a barrister for nine years.

Lauren is well versed in legal processes and is suitably qualified to perform this role.

Consultation/Communication

The appointment has been discussed with the Director of Corporate Services and Lauren's supervisor the Director of Planning & Economic.

Financial

There are no costs associated with the appointment of the PCO.

Links To Council Plans, Strategies, Policies

Council Plan Goal 4 – Governance and Business Excellence

Recommendation

That Council appoint Lauren Coman, Manager Regulatory Services as the Principal Conduct Officer until such time as the Graeme Harrison, Director of Corporate Services ceases in the Acting role as Chief Executive Officer, whereupon he will resume the role of Principal Conduct Officer.

Moved Cr Koenig, Seconded Cr Radford that the recommendation be adopted.

CARRIED

10.2 DIRECTOR OF CORPORATE SERVICES

10.2.1 PIMPINIO SPECIAL COMMUNITY GRANTS ROUND 2017/2018

S Surridge

File Ref: F20/A01/000006

Purpose

To present for adoption Council's proposed Pimpinio Special Community Grants allocation for 2017/2018 with funding of \$34,320 derived from the sale of the old school site in Pimpinio.

Background

At the meeting held on 18 September 2017, Council agreed to:

- distribute \$34,320 back to the Pimpinio community from the sale of the old school site;
- conduct a special round of Council's community grants program in 2017 with the final allocations to be made by resolution of Council

Council also noted that if the full amount of funds should not be allocated through the community grants program, the funds would be utilised within existing Council programs for the betterment of the broader Pimpinio community.

Applications for the Pimpinio Community Grants Program opened on 27 October 2017 and closed on 24 November 2017.

The program guidelines and application form were forwarded to the following identified groups in Pimpinio and advertised in Council's public notices:

- Pimpinio Sports and Community Club
- Pimpinio Golf Club
- Pimpinio Uniting Church
- Pimpinio Cemetery Trust

A total of five applications were received. Grant requests totalled \$60,760, and proposed allocations of \$34,320 have been made (**Appendix "10.2A"**).

Consultation/Communication

Applications have been considered by the Executive Management Group prior to presentation to Council for its consideration. Announcement of these funding allocations will be made following resolution of Council.

Officer Declaration of Interest

All those involved with the assessment and decisions on funding are requested to declare any conflict of interest and to not discuss or vote on any particular applications where there may be a real or perceived conflict of interest. There were no conflicts of interest declared.

Financial

The proposed allocation of \$34,320 will fully expend the funds available.

Links To Council Plans, Strategies, Policies

The Pimpinio Special Community Grants Program Guidelines links to the key priorities of the Council Plan and Health and Well-being Plan.

Recommendation

1. To approve the allocations to the various grant recipients as detailed in **Appendix "10.2A"**.
2. To immediately advise all successful and unsuccessful grant applicants of the outcome of their submissions.

Moved Cr Radford, Seconded Cr Gulvin that the recommendation be adopted.

CARRIED

10.2.2 LOAN BORROWING POLICY

G Harrison

File Ref: F18/A10/000001

Purpose

To adopt a revised Loan Borrowing Policy.

Background

The current Loan Borrowing Policy was last reviewed and adopted on 3 December 2012. The attached policy (**Appendix "10.2B"**) has been reviewed and adapted to Council's current policy template.

The Loan Borrowing Policy is an important document that sets parameters around the level of borrowings that Council is prepared to undertake and the types of expenditure that Council may borrow for.

Key principles of the policy have remained unchanged as follows:

- Borrowing of funds only for the purposes of funding new infrastructure, renewal of existing infrastructure and in special circumstances operational expenditure (eg Unfunded Superannuation contributions)
- Council must approve all borrowings

- All borrowings will be considered as part of Council's Long Term Financial planning using sound financial management principles and fall within the defined borrowing ratios
- Council reserves the right to borrow funds from appropriate lending institutions as it sees fit
- The tenure of a loan will not be greater than the expected useful life of the asset being funded by the loan

Issues

Some additions/changes have been made to the policy as follows:

- When borrowing via an interest only loan council will establish a cash funded reserve to set aside the final principal due at the end of the borrowing term.
- Borrowings shall not be undertaken if the effect of such borrowings is projected to result in borrowing ratios greater than the maximum levels indicated:

Borrowing Ratio	Note	New Target	Previous Target
Debt Commitment Ratio	1	< 10%	N/A
Debt Service Ratio	2	N/A	< 5%
Borrowing Rates Ratio	3	<60%	<60%
Liquidity Ratio	4	>120%	>120%

Note (1) The Debt Commitment Ratio is a ratio of total interest and principal payments for the year divided by rate revenue. This is a measure that is calculated as part of the Local Government Performance Reporting Framework (LGPRF) and is reported across the state for all councils via the "Know Your Council" website.

Note (2) the Debt Service Ratio is a ratio of Interest payments divided by total revenue. This is a measure that is no longer widely used by either the Victorian Auditor General or the LGPRF.

Note (3) the Borrowing Rates Ratio is total interest bearing loans and borrowings divided by rate revenue.

Note (4) the Liquidity Ratio is current assets divided by current liabilities.

The change from the Debt Service Ratio to the Debt Commitment Ratio provides Council with an easier method of comparison across all other councils and is arguably a better measure of the appropriate level of debt in comparison to the size and nature of Council's activities.

In order to understand and compare the targets for each of these ratios, the current calculations as per the 2017-18 Budget are:

Debt Commitment Ratio	2.9%
Debt Service Ratio	0.6%
Borrowing Rates Ratio	25.9%
Liquidity Ratio	209.5%

Consultation/Communication

The issue of appropriate debt levels was discussed with Council at the Budget Planning meeting on 6 December 2017.

Financial

Loan borrowings are an important source of funding for Council. This policy provides a structured and disciplined approach to the borrowing of funds.

Links To Council Plans, Strategies, Policies

Council Plan Goal 4 – Governance and Business Excellence.

Local Government Act 1989 Section 144(1): ‘Subject to the principles of sound financial management, a Council may borrow money to enable the Council to perform the functions and exercise the power conferred on the Council under this Act or any other Act.’

Recommendation

That Council adopt the revised Loan Borrowing Policy (**Appendix “10.2B”**).

Moved Cr Robinson, Seconded Cr Koenig that the recommendation be adopted.

CARRIED

10.2.3 AUDIT COMMITTEE MEETING - NOVEMBER 2017

D McDonald

File Ref: F18/A13/000001

Purpose

To report outcomes of the Audit Committee meeting of 30 November 2017, and to table the Audit Committee Charter and Annual Plan 2018, and to recommend the annual appointment of the Chair.

Background

The Horsham Rural City Council (HRCC) Audit Committee is an advisory committee of Council, whose objective is to provide appropriate advice and recommendations to Council on matters as listed in its Charter, in order to facilitate decision making by Council in relation to the discharge of its accountability requirements.

A copy of the minutes from the recent meeting of 30 November 2017, are attached as **Appendix “10.2C”**.

Also the Audit Committee Charter and Annual Plan 2018 are attached as **Appendix “10.2D”**.

Topics covered in the meeting were:

- Finance and Performance Committee – Final Cash Result
- Municipal Association of Victoria (MAV) WorkCare Self Insurance Scheme update
- A report on the progress against audit actions from past audits
- Draft Strategic Internal Audit Plan 2017/18
- Local Law Meeting Procedure
- Victorian Auditor-General’s Office (VAGO) Roads to Recovery Audit
- Financial Report (September 2017)
- Budget Development Guidelines
- Strategic Risk Register report
- Insurance claims overview
- Audit Committee Charter and Annual Plan review
- Audit Committee Chair appointment
- CEO Recruitment
- A range of compliance matters

Issues

A detailed internal report from the Director of Corporate Services, was tabled reviewing the issues from the Local Government Inspectorates report re the dismissal of the Central Goldfields Council. The report looked at all aspects that were listed by the Inspectorate to identify how Horsham Rural City Council was addressing these issues and concluded that Horsham Rural City Council is largely compliant with respect to each of the matters. Some minor actions were identified that will be monitored and managed alongside other internal audit actions.

The Audit Committee Charter and Annual Plan 2018 sets out the Audit Committee’s objectives, authority and responsibilities, and is reviewed annually. This year’s review was minor and consisted of one position title change and also appropriate date changes to the document, and has been endorsed by the Audit Committee at the meeting of 30 November 2017.

Links To Council Plans, Strategies, Policies

Council Plan Goal 4 – Governance and Business Excellence
Four-year outcomes – 4.2 Manage risk to the organisation and 4.4 Achieve high standards of organisational performance

Recommendation

1. Council adopts the revised Audit Committee Charter and Annual Plan 2017-18.
2. That Council appoints Mr Geoff Price as the Independent Chair of the committee for an additional one year term.

Moved Cr Radford, Seconded Cr Gulvin that the recommendation be adopted.

CARRIED

10.2.4 REVIEW OF THE LOCAL GOVERNMENT ACT

G Harrison

File Ref: F19/A15/000001

Purpose

To provide Council with information on the release of an Exposure Draft for the new proposed Local Government Act, and the opportunity for all interested parties to make submissions to the process until 23 February 2018.

Background

The current state government announced that it would be undertaking a review of the Local Government Act 1989 (the Act) during its current term of office. It was cited that there have been significant economic, demographic, and technology changes since the Act came in to effect in 1989. Local Government functions have evolved to meet some of these changes, but things can be done better thereby achieving further efficiencies.

Since the Act was created there have been over 90 amending Acts which resulted in hundreds of amendments, thereby causing the Act to become poorly structured and unclear and even at times contradictory. It also contains some historic and redundant clauses which obscure meaning and can be an obstacle to efficient administration of council.

The State Government also hopes that in the process of the review, the relationship between State and Local Government will be modernised to better reflect the roles and responsibilities of both parties, giving councils the authority to engage, challenge, innovate and deliver.

The stated purpose for the review as per the terms of reference are: "...to revise the current legislation governing local government in Victoria to create a more contemporary, accessible, plain English Act, that meets current and future needs of the community and local government sector".

The reforms to the Local Government Act will help:

- Victorians better understand and value councils' role as democratically elected bodies;
- Councils be more autonomous and embrace innovation and collaboration; and
- The Act become a living document that tells people clearly what councils do and how to get involved.

Issues

On 12 December 2017, the Government released an Exposure Draft of the Local Government Bill for public comment. The explanatory document accompanying the Bill – A New Local Government Act for Victoria - explains the rationale for the review, its aims and engagement process and sets out the structure of the Bill, highlighting major differences in provisions comparing the 1989 Act and the 2018 Bill.

This explanatory document has been prepared to assist councils and members of the public navigate the new draft Bill and understand its intent and impact. This can be found on the website: www.yourcouncilyourcommunity.vic.gov.au

Should the revised Bill receive royal assent in the first half of 2018, commencement of provisions will be staged between July 2018 and October 2020. The Exposure Draft Bill does not include commencement and transitional provisions. Accordingly, the explanatory document spells out the timing of its proposed four stages of implementation and what would be required of councils at each stage.

A summary document **Appendix "10.2E"** gives a quick overview of the new Act and changes. At this stage officers have not had the opportunity to review the document in detail but the change in relation to the Rating of the Mining Sector that Council made submissions on and worked with the North West Municipalities Association on, has been included in the Exposure Draft.

Consultation/Communication

Councils and their communities are invited to have their say on the Exposure Draft Bill and contribute any suggestions for improvement before the Bill enters the Parliament. This will mark the fourth and final stage of extensive engagement with councils, ratepayers and the wider community on shaping a new Act.

The Exposure Draft is open for comment until Friday, 23 February 2018.

Submissions can be made in three ways:

- Online by uploading submissions to the www.yourcouncilyourcommunity.vic.gov.au
- Emailing submissions to local.government@delwp.vic.gov.au
- Posting submissions to:

Local Government Act Review Secretariat
C/o Local Government Victoria,
PO Box 500, Melbourne VIC 3002

Financial

A review of the Act will potentially have some financial implications for council both in officer's time contributing to the process but also in resultant changes within the Act.

Links to Council Plans, Strategies, Policies

Goal 4 – Governance and Business Excellence.

Provided for information of Council.

Moved Cr Grimble, Seconded Cr Koenig that the report be received.

CARRIED

10.3 DIRECTOR OF PLANNING AND ECONOMIC

10.3.1 BUILDING PERMIT REPORT

A Murphy

File Ref: F05/A17/000001

Purpose

To inform Council on the number of building permits issued within the Horsham Rural City municipal area, and the value of the works associated with those permits.

Background

Council, through its Municipal Building Surveyor, plays a critical role under the Building Act 1993 to ensure the effective and efficient operation of the Building Permit system which impacts on the quality of building practices. Council's involvement in the building permit approval system also provides Council with the ability to support development in the municipality

Issues

The figures attached at **Appendix "10.3A"** outline the number and value of building permits issued within the Horsham Rural City municipal area. A comparison is provided between the 2013/14 financial year through to the 2016/17 financial year.

The figures show that Council is currently administering 41% of building permits in the municipal area. In terms of the value of work, these figures show that during the 2016/17 financial year, Council serviced only 21% of the building permit market in Horsham. This would illustrate that Council is receiving more low value building permits than Private Building Surveyors.

Financial

The net cost of providing the building approvals service is \$337,340.

Consultation/communication

Council is required to report building activity to the Victorian Building Authority.

Links to Council Plan

- 2.2 Cultivate opportunities for the municipality prosper and pursue possibilities of new development.

Provided for information of Council.

RECEIVED

**10.3.2 AMENDING A SECTION 173 AGREEMENT – 650 RIVERSIDE EAST ROAD,
RIVERSIDE – A AND S RELOUW**

N Carey

File Ref: 99/01/14423A

Purpose

This report is seeking a decision from Council acting as the Responsible Authority whether or not it agrees to the amending of a Section 173 agreement (the Agreement).. It is recommended that Council agree to amend the Agreement (AF285865C) as proposed.

Background

At the Ordinary Meeting of the Horsham Rural City Council held on 6 November 2017 it was resolved to provide ‘in principle’ support to amend the Agreement that applies to Lots 1 and 2 PS601509K so as to remove Lot 2 from the Agreement.

The Agreement (AF285865C) is registered as an encumbrance on the Title between Council and the owners of Lot 2 PS601509K. The registering of the Agreement on the Title was required as a condition of Planning Permit 06-135 to allow for a two lot subdivision (dwelling excision).

The amending of the Agreement is requested by the landowner to facilitate the further subdivision of Lot 2 to allow for the creation of a smaller lot around the existing dwelling.

A locality plan is provided as **Appendix “10.3B”**.

A copy of the application documents is attached as **Appendix “10.3C”**.

Issues

Planning controls

The subject land is located in the Farming Zone. 86.2% of the land is affected by the Land Subject to Inundation Overlay although the dwelling and the immediate area around the dwelling is not affected.

The land has an area of 29 hectares and is located within the 60 hectare minimum lot size area of the Farming Zone. Exceptions apply whereby smaller lots can be created if the subdivision is the resubdivision of lots where no additional lots are created and house lot excisions.

Legislative requirements

Changes to the *Planning and Environment Act 1987* in 2013 established a process for ending or amending an Agreement. Section 178B of *Planning and Environment Act 1987* states that in considering a proposal under section 178A to amend an Agreement, the responsible authority must consider—

- (a) *the purpose of the agreement; and*
- (b) *the purpose of the amendment; and*
- (c) *whether any change in circumstances necessitates the amendment; and*
- (d) *whether the amendment would disadvantage any person, whether or not a party to the agreement; and*
- (e) *the reasons why the responsible authority entered into the agreement; and*
- (f) *if the amendment is to remove land from the application of the agreement, whether the land is subject to any further liability under the agreement; and*
- (g) *any relevant permit or other requirements the land is subject to under the **Subdivision Act 1988**; and*
- (h) *any other prescribed matter.*

Purpose of the Agreement

The requirement to enter in to the Agreement was a condition of Planning Permit 06-135 to excise the dwelling that existed on the lot at the time the application for subdivision was made. The planning permit was granted on the 14 August 2006.

At the time the decision was made in 2006 the Horsham Planning Scheme did not require the applicant to enter in to a Section 173 Agreement for a house lot excision. The relevant Clause of the Planning Scheme at the time stated:

A permit may be granted to create smaller lots if any of the following apply:

The subdivision is to create a lot for an existing dwelling. Only one additional lot which does not contain a dwelling may be created in the subdivision. Each lot must be at least 0.4 hectare.

Although it is not possible to determine the reasons why the Agreement was considered appropriate at the time a planning permit was granted, one of the reasons could be to prevent further applications for subdivision of farming land into smaller lots which could lead to fragmentation and loss of viable farmland.

The purpose of the amendment

The purpose of the amendment is to enable an application to be made to subdivide the land to allow for a house lot excision. The applicant has identified that the Agreement needs to be amended to remove Lot 2 from the Agreement so as to allow the excision of the existing dwelling, with the balance of the lot being retained for farming. Maintenance of the property is also identified by the applicant as a factor as

to why the Agreement should be removed from Lot 2 so as to allow further subdivision.

Although the Agreement prevents further subdivision of the land, by amending the Agreement and therefore allowing an application to be made for subdivision, it does not imply that a permit will be granted. There have been no changes to the Horsham Planning Scheme which would support a house lot excision even if the Agreement were to be amended to allow for further subdivision of the land. Of note is the fact that there was no requirement to enter into an Agreement at the time of the original house lot excision.

Whether any change in circumstances necessitates the amendment

The most significant change is that the Planning Scheme no longer requires the entering into an Agreement for subdivision of land in the Farming Zone. Between the time the permit was granted and up until 2013 it was a requirement to enter into a Sec 173 Agreement to prevent further subdivision where land was either a resubdivision or created a lot smaller than the prescribed 60 hectares.

Whether the amendment would disadvantage any person, whether or not a party to the Agreement

No person will be disadvantaged should the Agreement be amended.

The reasons why the responsible authority entered into the Agreement

Although no documentation exists so as to establish why the responsible authority entered in to the Agreement, as discussed previously in this report it is likely that the Agreement was entered into to prevent further fragmentation of the land.

If the amendment is to remove land from the application of the Agreement, whether the land is subject to any further liability under the Agreement

By removing Lot 2 from the Agreement there will be no further liability under the Agreement.

Any relevant permit or other requirements the land is subject to under the Subdivision Act 1988

The following permits have been granted:

- 06-135 Subdivision (house lot excision)
- 08-090 Use and development of a dwelling and shed

In the case of a permit allowing the subdivision of land, it has generally been accepted in Victoria that once the subdivision has been given effect to and new titles have issued, the permit is no longer relevant.

Neither of these permits have any relevance to the amending of the Agreement apart from the fact that it is the intention of the applicants to excise the dwelling which currently is prevented by the terms of the Agreement.

Any other prescribed matter

There are no other prescribed matters in the consideration of the proposal to amend the Agreement.

Although there is no certainty that should an application be made to excise the house from the land, the current consideration is whether the proposal meets the requirements of Sec 178B of the *Planning and Environment Act 1987* and accordingly allows for the Agreement to be amended as proposed. Having considered those requirements and taking into account the circumstances at the time that resulted in the Agreement being required it is considered that the Agreement should be amended.

Consultation/Communication

No notification was given on the basis that the only lots affected by the Agreement are held in the same ownership. If it is resolved to amend the Agreement and an application is made to subdivide the land, then notification of that proposal will be undertaken in accordance with Sec 52 of the *Planning and Environment Act 1987*.

Links To Council Plans, Strategies, Policies

Council Plan

2.2 Cultivate opportunities for the municipality to prosper and pursue possibilities for new development.

Recommendation

1. That Council acting as the Responsible Authority and after considering the matters in section 178B of the *Planning and Environment Act 1987*, amend the Section 173 Agreement (AF285865C) in accordance with the proposal so as to remove Lot 2 PS601509K from the Agreement.
2. The owner pay the reasonable costs of the preparation, execution and registration of the amended section 173 Agreement.

Moved Cr Radford, Seconded Cr Grimble that the recommendation be adopted.

CARRIED

10.4 DIRECTOR OF COMMUNITY SERVICES

10.4.1 WIMMERA DRUG ACTION TASKFORCE

A Donovan

File Ref:

Purpose

To provide an update on the Wimmera Drug Action Taskforce (WDAT).

Background

The WDAT is a partnership group comprising representatives of Wimmera-wide agency and community representatives whose aim is to reduce the harms caused by alcohol and other drugs in our communities.

WDAT is facilitated by a co-ordinator and auspiced by Grampians Community Health. Horsham Rural City Council is represented on the taskforce by Councillor Mark Radford, Community Development Manager and the Alcohol Cultural Change Project Officer.

Discussion

WDAT have been working on a range of harm reduction projects.

Appendix "10.4A" provides an overview of these. In summary they are:

- Professional development
- Media articles
- Television appearances
- Specialist consultancy services
- Social media Campaign
- Behaviour change campaigns
- Community education
- Education in schools and other educational settings

WDAT was a key driver in working with Council to secure the VicHealth funded Alcohol Culture Change Program Stage 2 (YCAN) and is an ongoing partner with Council in delivering this important and innovative project.

Consultation/Communication

WDAT information is widely circulated through Council.

Council will continue to be an active partner on WDAT and work collaboratively to reduce the harms of alcohol and other drugs on the Horsham and wider Wimmera community.

Financial

There are no financial implications to Council as participation and support of WDAT is part of current council staff commitments.

Links To Council Plans, Strategies, Policies

Participation in WDAT aligns with the following Council Strategies:
Council Plan (2017-2021) Goal 1: Develop Horsham and the municipality as a diverse, inclusive and vibrant community.

- 1.2 Develop a safe, active and healthy community, encouraging participation

Health and Wellbeing Plan (2017-2021)

- Partner with programs to promote a family friendly culture at events
- Create new and renew license agreement with a focus on a positive alcohol culture
- Advocate for an alcohol and drug rehabilitation clinic in Horsham.

Provided for information of Council.

Moved Cr Radford, Seconded Cr Power that the report be received.

CARRIED

10.4.2 MEALS CONTRACT

M A Duke / M Stewart / K O'Brien

File Ref: F13/A01/000003

Purpose

- To report to Council the results of the Meals on Wheels Survey conducted recently in response to a recent council resolution.
- To advise Council of additional funding received from the Commonwealth Government for Meals on Wheels.
- To recommend that there is no increase in meals fees this financial year due to increased funding and that Council consider an increase of 50 cents in the 2018/19 financial year.

Background

The extension of the contract for Meals on Wheels with Wimmera Health Care Group and West Wimmera Health Service to 30 June 2019 resulted in a significant price increase to Council, which prompted a review of pricing. At 21 August 2017 Ordinary meeting, Council resolved not to increase the cost of a meal but to survey recipients of the service to gain an understanding of their ability to absorb a price rise.

A survey was sent to all meals on wheels recipients in October. 42 responses were received in response to the mail-out to 65 clients' homes.

In October, the Commonwealth Government sent a letter, which provided for an increase in its meal cost subsidy.

Discussion

Outcome of the survey

The majority of the clients surveyed have received meals for between one to five years. However, we have at least two clients who have received meals for more than five years and two who have received meals for more than ten years.

The questions asked were around the appearance, quantity, quality and size of the meals. Majority have responded favourably to these questions.

The most common reason for receiving Meals on Wheels is due to some form of mobility issue. Many have reduced ability to cook and/or go shopping.

A majority of clients have stated that Meals on Wheels has assisted them to maintain their independence and remain living at home.

We asked specific questions about ability to pay for Meals on Wheels: (Would you have difficulty paying for the meal if the price increased as follows: \$1 Increase, a \$1.50 increase or a \$2.00 increase?)

The majority of the people have stated that they would not have difficulty paying if the fee is increased by \$1.00 (30 out of 37); when increased by \$1.50 approximately 50% of respondents indicated this would not create a difficulty (19 out of 37). If the fee increased by \$2.00, the majority would find the price rise difficult (25 out of 37).

Notification of additional funding

In October, the Commonwealth Government increased our unit price to subsidise meals in 2017/18 and 2018/19 financial years to \$4.70 per meal this is a \$1.23 increase on the previous subsidy. This has resulted in an increase of \$15,233.00 per annum of funding.

Consultation/Communication

Meals recipients were surveyed in November. 65 clients were surveyed, there were 42 responses received.

Financial

14,151 meals were supplied to clients in Horsham Rural City in the 2016/17 financial year – 13,298 meals (Horsham) and 853 meals (Natimuk).

The price rises put forward by Wimmera Health Care Group and West Wimmera Health Service are approximately 10% for the 2017/18 financial year then 5% for the 2018/19 year. These costs do not include the cost of staff and volunteer time and on-costs, which Council covers. The price increases were to add a further \$16,531.00 to Council's contribution to Meals on Wheels if we make no increase to fees. However, the Commonwealth Government have increased our unit price to subsidise meals in the 2017/18 and 2018/2019 financial years to \$4.70 per meal, this is a \$1.23 increase on the previous subsidy. This has resulted in an increase of funding of \$15,233.00 per annum. This comes close to offsetting the increase in contract fees in the 2017/18 financial year being \$16,531.00.

This financial year the cost to Council to run the Meals on Wheels Service after reimbursements and grant is budgeted to be \$71,588. The cost to Council is around \$5.05 per meal delivered.

It is recommended that Council consider an increase the 2018/19 budget. This will maintain its subsidy at approximately \$5.00; the increase should be 50 cents.

Links To Council Plans, Strategies, Policies

Council Plan 2017-2021

1.4 Develop the municipality as a desirable place to live, work and enjoy for people of all ages and abilities.

Recommendation

1. That no changes be made to the current meals fee in this financial year.
2. That Council consider increasing its charge for meals in the 2018/19 financial year by 50 cents to offset the meals contractor increase in the 2018/19 financial year.

Moved Cr Grimble, Seconded Cr Robinson that the recommendation be adopted.

CARRIED

10.4.3 MEALS CONTRACT

M A Duke / M Stewart / K O'Brien

File Ref: F13/A01/000003

Recommendation

That Council refer this item to the confidential briefing part of the meeting to consider the report from the Director Community Services in accordance with Section 89(2) (d) contractual matters of the Local Government Act, 1989.

Moved Cr Koenig, Seconded Cr Gulvin that this item be considered in Closed Council ("Committee").

CARRIED

10.5 DIRECTOR OF TECHNICAL SERVICES

10.5.1 ANZAC CENTENARY PEDESTRIAN BRIDGE – CONSTRUCTION REVIEW

John Martin/Martin Duke

File Ref: F02/A01

Purpose

To present a report on the final cost of the Anzac Centenary Bridge.

Background

This report supplements a report to Council in August 2017.

The total cost to Council of the project was \$1,623,013. This significantly exceeds the project budget of \$1.2 million.

When the contractor went into administration, and issues of non-payment of local sub-contractors arose, it became evident that the project budget would be exceeded.

Earlier advice to Council indicated that \$240,000 additional funding had been provided from the 2016-17 cash surplus, to fund the project. Works were still underway when those estimates were prepared and all accounts had not been presented.

The final wrap-up of the project has shown that this additional funding would still leave a shortfall of \$106,937 for the project. This includes allowance for the \$76,076 security deposit which has been retained by Council and became funds to the project.

Issues

As indicated in the August briefing report, slow progress, reports of non-payment of some sub-contractors and persistent poor communication by the contractor led to a series of visits to the contractor's base, in Wangaratta from October 2016.

This resulted in a number of changes in Council's management of the project, including that all payments to sub-contractors were made directly by Council, rather than through the contractor as is normally the case. As a result of these changes, work on the bridge progressed, both with fabrication at Wangaratta and commencement of erection works at Horsham. The extensive foundation works had been largely completed.

The key areas where the increased costs were incurred were:

- Additional costs to Council's own consultants to review the contractors design, especially in the early phase of the project to ensure that the bridge complied with standards, and to minimise movement in the bridge.

- The scope of completion of the job after the contractor folded was much larger than anticipated.
- The contractor had not provided a methodology for the assembly phase of the works, and some of the component fabrication was found to not be consistent with the designs – although the quality control on site had indicated the workmanship to be good.
- Significant work was required to rectify defects in the fabricated components, and to resource specialist sub-contractors for parts of the final assembly/erection phase of works.

Discussion

The high cost to complete the project after the contractor left the site is of particular note. The contractor went into voluntary administration just after the key structural elements of the bridge had been assembled on site, but before further labour intensive costs were incurred.

It appears that the contractor significantly under-estimated the cost to complete the bridge in its tender submission.

When the contractor and hence the project were identified as being at risk, the following key actions were initiated:

- Securing all fabricated component, either by delivery to Horsham, or by obtaining statements confirming ownership of these in Council's name.
- Direct payment of sub-contractors and suppliers by Council.

With essentially all of the bridge components fabricated, and the key structural elements (the towers, suspension cables, deck frames) assembled, there was no practical alternative but to complete the bridge.

Significant assistance was required to support Council staff in the final assembly works.

Financial

The additional funding required for the project is proposed to be allocated from unbudgeted additional funding received from the Grants Commission for 2017-18, which totalled \$275,000.

Conclusion

Clearly the project was significantly over budget.

This needs to be considered with the following:

- The contractor went into administration during the project.
- The bridge has been successfully completed to a high standard.
- There are no outstanding payments to local sub-contractors on the works.

Recommendation

The amount of \$106,937 be allocated to the pedestrian bridge from the Grants Commission additional allocation received in 2017-18.

Moved Cr Radford, Seconded Cr Power that the recommendation be adopted.

CARRIED

10.5.2 VARIOUS ROAD CONSTRUCTION CONTRACTS

Lyndon White File Ref: F13/A02

Purpose

To recommend the award of contracts for two road reconstruction projects as follows:

- Kooyong Street, Horsham – to MF & JL Willmore Pty Ltd.
- Clear Lake - Sherwoods Dam Road, Noradjuha/Tooan – to Bitu-Mill (Civil) Pty Ltd.

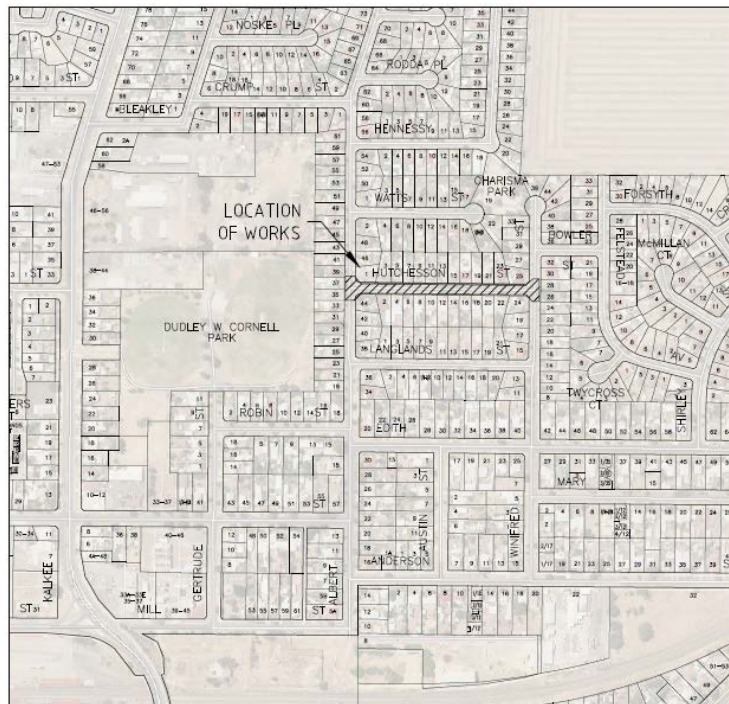
To defer the award of a contract for the following project:

- Hutchesson Street, Horsham.

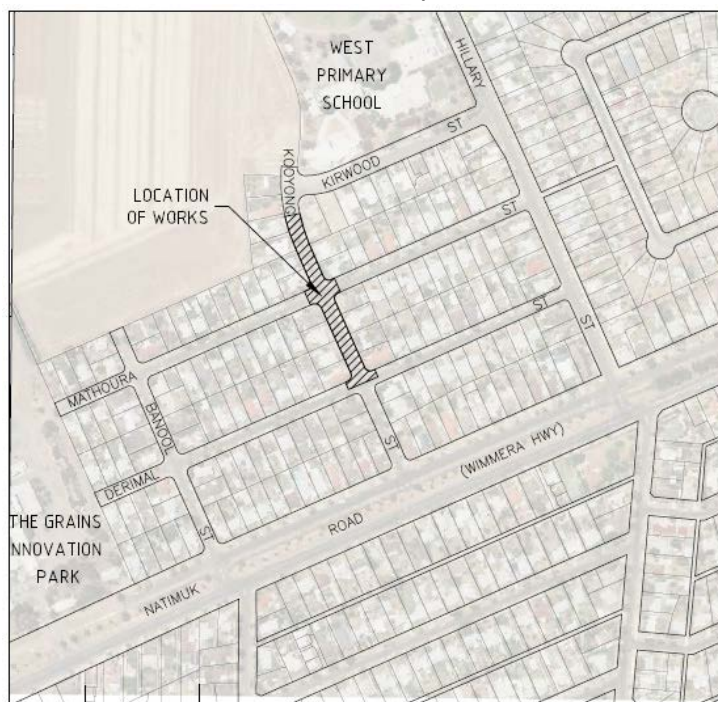
Background

The background to these projects and the tendering processes for these three contracts have been very similar, hence they are presented together in this report.

The proposed extents of works are shown in the diagrams on the next page.



Hutchesson Street, Horsham



Kooyong Street, Horsham



Clear Lake Sherwoods Dam Road, Noradjuha/Toon

Hutchesson Street and Kooyong Street works involve reconstruction of the full width of road pavement, kerb and channel, driveways, some sections of footpath, installation and upgrade of underground drainage and reinstatement of nature strips.

Clear Lake - Sherwoods Dam Road, being a rural road, has a different scope comprising reconstruction of the full width road pavement and installation of a 3.7 m wide seal and 2.0 m shoulders either side.

All works are required due to the deteriorated condition of these roads, including significant surface roughness, which contributes to reduced safety on the road.

Tenders were sought for all three contracts via advertisements in the Wimmera Mail-Times newspaper and Council's website. Tender invitations were released on 27 October 2017 and closed on 22 November 2017.

Tenders were received from the following companies:

Kooyong Street

- MF & JL Willmore Pty Ltd, Horsham

Clear Lake - Sherwoods Dam Road

- Bitu-Mill (Civil) Pty Ltd, Campbellfield
- Millers Civil Contractors Pty Ltd, Horsham
- MF & JL Willmore Pty Ltd, Horsham

Hutchesson Street

- Only one tender received – see discussion below.

The tender panel evaluated the tenders in line with the criteria nominated in the tender documents, being:

- Appreciation of the work, methodology and challenges– 15%
- Commercial and financial– 15%
- Project experience and delivery capability – 10%
- Project team and experience – 10%
- Safety, quality and environmental – 15%
- Price – 30%
- Local Content – 5%

Issues

The low number of tenders is understood to be largely due to local contractors having an abundance of work available at the present time.

The single tender received for Kooyong Street is considered acceptable. While being 10% (\$22,000) over budget, there have been other contracts awarded this year that offset this (see financial section below).

The tender assessment for Clear Lake - Sherwoods Dam Road recommends the second lowest tenderer be awarded the contract on the basis that the lowest was only marginally lower (\$3000, 1%) and the panel has confirmed that the lowest tenderer would have trouble completing the works before the end of the normal construction period within 2017-18 financial year. The preferred tender is over budget by some 17%.

The single tender received for Hutchesson Street was 30% above Council's budget for this job, and the tenderer indicated that the construction period would be from May to July – road construction is problematic during winter, and this work would more likely be finalised in spring 2018.

Alternative approaches to the Hutchesson Street tender are being considered, including:

- Construction by Council staff
- Re-tendering, possibly later in this financial year.

The assessment of these alternatives will be presented for consideration by Council at a subsequent meeting. Factors being assessed in this include:

- Delivering the project within the current financial year
- The cost of delivering the project
- Impacts on other Council works.

The recommended tenderers are therefore:

Hutchesson Street	Kooyong Street	Clear Lake Sherwoods Dam Road
Defer award of contract	MF & JL Willmore Pty Ltd	Bitu-Mill (Civil) Pty Ltd

Financial

The table below summarises the relevant financial aspects of the tenders in ex-GST values:

	Hutchesson Street	Kooyong Street	Clear Lake Sherwoods Dam Road
Budget	\$252,000	\$212,000	\$270,000
Preferred Tender	-	\$234,730	\$318,467.12

The sources of funds for individual projects being:

- **Hutchesson Street** - \$252,000 from Council's infrastructure renewal gap fund.
- **Kooyong Street** - \$212,000 from Council's infrastructure renewal gap fund.
- **Clear Lake Sherwoods Dam Road** - \$234,000 from Council rates and \$36,000 from Roads to Recovery funding.

Combined, the two projects proposed to be awarded are \$71,197 over budget. This is more than offset by three road contracts awarded in October, which combined were \$129,000 under budget.

Links To Council Plans, Strategies, Policies

The Council Plan 2014-18 includes under Goal 3 – Asset Management the following aim:

- 3.4 Deliver works to develop and maintain Council's physical assets for long term sustainability, amenity and safety

Recommendation

1. That Council award:
 - a. Contract No: 18/010 Kooyong Street to MF & JL Willmore Pty Ltd, Horsham for the tendered price of \$234,730.00 (ex. GST).
 - b. Contract No: 18/012 Clear Lake Sherwoods Dam Road to Bitu-Mill (Civil) Pty Ltd, Campbellfield for the tendered price of \$318,467.12 (ex. GST).
2. That Council not award Contract No: 18/011 Hutchesson Street at this stage.
3. That Council refer the related report containing details of tenders to the confidential briefing part of the meeting to consider in accordance with Section 89(2) (d) contractual matters of the Local Government Act, 1989.

Moved Cr Gulvin, Seconded Cr Robinson that the recommendation be adopted.

CARRIED

10.5.3 CONTRACT 16/005 – EXTENSION OF RECYCLING COLLECTION CONTRACT

Martin Duke File Ref: F13/A02

Recommendation

That Council refer the related report containing details of tenders to the confidential briefing part of the meeting to consider in accordance with Section 89(2) (d) contractual matters of the Local Government Act, 1989.

Moved Cr Gulvin, Seconded Cr Koenig that this item be considered in Closed Council (“Committee”).

CARRIED

11. URGENT BUSINESS

NIL

Moved Cr Robinson, Seconded Cr Power that the Council Meeting close to consider item number 10.1.1 of the Chief Executive, item number 10.4.2 of the Director Community Services and item number 10.5.2 & 10.5.3 of the Director Technical Services Report deemed to be of a Confidential nature in accordance with Section 89(2) of the Local Government Act, 1989.

CARRIED

The time being 7.12pm the Council meeting closed.

Moved Cr Koenig, Seconded Cr Gulvin that the Council meeting open.

CARRIED

The Council Chamber doors were opened at 7.19pm.

Moved Cr Radford, Seconded Cr Koenig that the recommendations in the closed Council meeting be adopted.

CARRIED

The meeting closed at 7.19pm.

The Mayor, Cr P Clarke
Chairperson