

MINUTES of the Special Meeting of the Horsham Rural City Council held in the Municipal Chambers, Civic Centre, Horsham at 4.30pm on 12 November 2018.**Order of Business****1. PRESENT**

Cr Mark Radford, Mayor; Cr Pam Clarke, Cr Alethea Gulvin, Cr Les Power, Cr David Grimble, Cr John Robinson.

ALSO IN ATTENDANCE

Sunil Bhalla, Chief Executive Officer; Graeme Harrison, Director Corporate Services; Angela Murphy, Director Development Services; Kevin O'Brien, Director Community Wellbeing; John Martin, Director Infrastructure; Kerrie Bell, Manager Governance and Information; Diana McDonald, Co-ordinator Governance.

2. OPENING

The Prayer and Acknowledgement of Country Statement were read by the Chairman, Cr Radford.

3. PRAYER

Almighty God, we pledge ourselves to work in harmony for, the social, cultural and economic well-being of our Rural City. Help us to be wise in our deliberations and fair in our actions, so that prosperity and happiness shall be the lot of our people. AMEN

4. ACKNOWLEDGEMENT OF COUNTRY STATEMENT

The Horsham Rural City Council acknowledges the five Traditional Owner groups of this land; the Wotjobaluk, Wergaia, Jupagalk, Jaadwa and Jadawadjali people. We recognise the important and ongoing place that all Indigenous people hold in our community.

We pay our respects to the Elders, both past and present, and commit to working together in the spirit of mutual understanding and respect for the benefit of the broader community and future generations.

5. WELCOME

Chairman, Cr Radford welcomed those in attendance to the Council meeting.

6. APOLOGIES

Cr Josh Koenig is an apology for today's Special Council meeting.

Moved Cr Grimble, Seconded Cr Gulvin that the apology from Cr Koenig be received and leave of absence be granted.

CARRIED

7. CONFLICTS OF INTEREST

NIL

8. OFFICERS REPORTS**8.1 HORSHAM REGIONAL LIVESTOCK EXCHANGE ROOFING – BUILDING BETTER REGIONS FUND APPLICATION**

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Department:	Infrastructure		

Officer Declaration of Interest

No officer involved in the preparation of this report has any conflicts of interest.

Status: Information classified confidential in accordance with *Local Government Act 1989 – Section 77(2)(c)*: Yes No

Appendix

Horsham Regional Livestock Exchange Roofing Business Case report (**Appendix “8.1A”**)

Purpose

To outline the basis of the funding application proposed to be submitted for roofing of the Horsham Regional Livestock Exchange (HLRE). The application is to be made to the Federal Government’s Building Better Regions Fund (BBRF) program.

Summary

- Council endorsed the HRLE Master Plan in May 2018.
- Roofing of the Exchange was identified as the key priority from the Master Plan.
- A Business Case has been prepared which outlines the benefits and costs of roofing the Exchange, and evaluates alternatives, with the main alternative being the use of shade sails.
- The Business Case confirms the merit of roofing the Exchange, with an exceptionally high benefit/cost ration of at least 7.5.
- BBRF funding of \$1.49 million is being sought for a project with a total cost of \$3.03 million.
- A commitment will be required for Council’s contribution of \$1.54 million. It is proposed that this be via an internal loan to the Exchange over a period of 16 years, to be repaid from savings in operating costs and a levy on the cost of sheep sales, which was initiated in this current financial year. The Exchange is run as a separate financial entity.
- Construction is being planned to commence from July 2019.
- The BBRF applications are required to be submitted by 15 November 2018.

Recommendation

1. Endorse the application to the Building Better Regions Fund for roofing the Horsham Regional Livestock Exchange
2. Commit to funding of \$1.54 million for the project, as an internal loan, to be repaid over 16 years
3. Also pursue State Government funding for the project.

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

CARRIED

Report

Background

The Master Plan for HRLE has been reviewed and endorsed by Council, and establishes a clear case for roofing the Exchange.

Discussion

A business case has been prepared to evaluate in detail the merit of and options to roofing the Exchange. Options considered included:

- Roofing the entire Exchange
- Roofing parts of the Exchange
- Use of either a rigid structure or shade sails for roofing
- Selling / closing the facility
- Maintaining the status quo.

Options using shade sail and/or only partial roofing provide limited benefits compared to full roofing, in particular in areas such as:

- Animal and human welfare
- Value of sheep presented for sale from improved shelter conditions
- Cost/efficiency savings in cleaning the floor area
- Water savings.

It was found that the option to roof the full Exchange area delivered the best value per unit spend and this has been identified as the preferred option in the Business Case and the funding application. Should only partial funding be made available, then it is possible to roof the Exchange in stages, but this is less desirable.

Financial Implications

The analysis of the potential benefits from roofing the Exchange has exceeded this Director's expectations. In liaison with members of the Exchange Board, in particular the Stock Agents' representative, an assessment was made of the reduced value of sheep due to poor condition or presentation on days of hot or cold/rainy weather.

The economic analysis of the project's merit has yielded a benefit cost ratio at a conservatively high discount rate of 8% of 7.5, with even higher returns of around 9.7 at a more typical 5% discount rate.

The construction cost estimate in the Master Plan report of \$2.55 million had some exclusions, which have been allowed for in the construction cost presented in the Business Case. The additional items relate to foundations, lighting, solar panels, tanks, contingency and project management.

The project would require Council funding of \$1.54 million. Funds generated from the extra \$0.02 per sheep levy (which increases for the following two years a further \$0.02 per year), and operational savings of \$60,000 per year (including revenue from solar panels), will enable an internal loan to be repaid in 16 years. The initial construction of the Exchange was part funded through a similar internal loan.

Links To Council Plans, Strategies, Policies

This project is identified in the HRLE Master Plan and action 3.4.02 of the Council Plan 2018-22.

Consultation/Communication

The Master Plan was developed with broad consultation. Details of the Business Case have been revised with assistance of the HRLE Board.

Letters of support for the project have been received from the Hon Andrew Broad MP, Wimmera Development Association, and the Stock Agents Association.

Economic information using REMPlan was provided by the Economic Development Manager.

Risk Implications

Typical construction risks will apply. An additional risk will be managing an operational site during construction. This is identified in the risk plan in the Business Case.

Environmental Implications

Roofing the Exchange is anticipated to cause negligible adverse environmental impact, with positive outcomes associated with better management of water and manure on site, and the use of solar panels and LED lighting to reduce greenhouse impact. In addition, positive animal welfare outcomes will arise.

Human Rights Implications

This report complies with the rights listed in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Conclusion

The Business Case provides a sound basis for an application to the BBRF fund for full roofing of the Livestock Exchange.

Moved Cr Clarke, Seconded Cr Power that the Council Meeting close to consider item number 9.1 of the Director Development Services Report deemed to be of a confidential nature in accordance with Section 77(2)(c) of the Local Government Act, 1989.

CARRIED

The time being 4.38pm the Council meeting closed.

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

CARRIED

The Council Chamber doors were opened at 4.43pm.

Moved Cr Gulvin, Seconded Cr Power that the recommendations in the closed Council meeting be adopted.

CARRIED

The meeting closed at 4.44pm.



27 November 2018 | 1:59:03 PM AEDT

The Mayor, Cr M Radford

Chairperson