

AGENDA

Ordinary Council Meeting

6.00pm Tuesday 24 September 2019

VENUE:
Bannockburn Shire Hall
Council Chambers
12 High Street, Bannockburn

NEXT ORDINARY COUNCIL MEETING
6.00pm Tuesday 22 October 2019

Copies of Golden Plains Shire Council's Agendas & Minutes
Can be obtained online at www.goldenplains.vic.gov.au

Code of Conduct Principles

WORKING TOGETHER

We Councillors will:

- acknowledge and respect that a diversity of opinion exists among us;
- recognise that each of us has different life experience, knowledge and values, and that all of these contribute collectively to our discussions;
- behave with courtesy towards each other, Council officers and our citizens;
- conform to the policy and precedents that guide the conduct of meetings;
- attend punctually and participate in all relevant meetings, workshops and briefings;
- share reasonably in the representation, ceremonial and hosting tasks of the full Council; and
- honour the majority decisions made by the Council, irrespective of our own position, and explain these decisions frankly to the community, once made.

BEHAVING WITH INTEGRITY

We Councillors will:

- identify our financial and personal interest, or potential interest, in any matter that comes before the Council;
- be honest and truthful;
- comply with laws and the regulations deriving there from;
- respect Council property and be frugal in its use, where allowed;
- avoid using our position for personal gain or to achieve advantage over others or to obtain preferential treatment;
- be sympathetic to the legitimate concerns of our citizens;
- act impartially when making decisions and have due regard to the needs of the community as a whole, rather than that of narrow vested interest; and
- acknowledge the role of Council officers in providing advice to us and in implementing Council decisions.

MAKING COMPETENT DECISIONS

We Councillors will:

- without diminishing the short term focus, approach decisions with due regard to the long term needs of the municipality;
- form policies with regard to the needs of the entire Shire;
- direct our attentions to the strategic and statutory needs of the municipality rather than short term, transient, operational issues;
- seek to fully inform ourselves on the issues before Council before making a decision;
- take all reasonable steps to improve our knowledge of matters relevant to our municipal duties; and
- use and respect the professional knowledge of Council officers and other advisers to Council.

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1 OPENING DECLARATION

We the Councillors of Golden Plains Shire declare that we will undertake, on every occasion, to carry out our duties in the best interest of the community and that our conduct shall maintain the standards of the code of good governance so that we may faithfully represent and uphold the trust placed in this Council by the people of Golden Plains Shire

2 ACKNOWLEDGEMENT OF COUNTRY

Council acknowledge the traditional Wadawurrung owners of the land where we meet today. Council pays its respects to Wadawurrung Elders both past and present and extends that respect to all Aboriginal and Torres Strait Islander People who are part of Golden Plains Shire.

3 APOLOGIES AND LEAVE OF ABSENCE**4 CONFIRMATION OF MINUTES****Recommendation**

That the minutes of the Ordinary Council Meeting held on Tuesday 27 August 2019 as circulated, be confirmed.

5 DECLARATION OF CONFLICT OF INTEREST**6 PUBLIC QUESTION TIME**

7 BUSINESS REPORTS FOR DECISION

7.1 ASSEMBLY OF COUNCILLORS

File Number: 02-03-004

Author: Sharon Naylor, Executive Assistant - Chief Executive Officer

Authoriser: Eric Braslis, CEO

Attachments: 1. Assembly of Councillors

RECOMMENDATION

That Council notes the Assembly of Councillors Record from 28 August 2019 to 23 September 2019 as attached.

EXECUTIVE SUMMARY

To present Council with written records of Assembly of Councillors in accordance with section 80A of the Local Government Act 1989 from 28 August 2019 to 23 September 2019.

BACKGROUND

In accordance with Section 80A of the Local Government Act 1989 a written record of assembly of Councillors must be reported at an ordinary Council meeting and minuted as soon as practicable.

DISCUSSION

The record must include:

- The names of all Councillors and members of Council staff attending
- The matters considered
- Any conflict of interest disclosures made by a Councillor attending
- Whether a Councillor who has disclosed a conflict of interest left the assembly

CONSULTATION

A formal consultation process is not required.

CONFLICT OF INTEREST

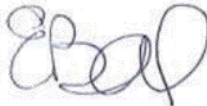
In Accordance with Section 80B of the Local Government Act 1989, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

The information provided in this report is compliant with Section 76A of the Local Government Act 1989.



Assembly of Councillors Record

Date of meeting:	Monday 16 September 2019
Time:	6.00pm
Purpose of meeting:	Bannockburn Children's Centre Workshop
Councillors present:	Cr Owen Sharkey, Mayor Cr Helena Kirby Cr Joanne Gilbert Cr Nathan Hansford Cr Les Rowe Cr David Evans
Apologies:	Cr Des Phelan
Council staff present:	Eric Braslis, Chief Executive Officer Lisa Letic, Director Community Services Philippa O'Sullivan, Director Corporate Services Susan Talpey, Senior Communications & Marketing Officer Heidi Preston, Child & Family Services Manager Claire Tehan, People & Culture Manager
Other people present:	Lindy Richardson, Maddocks Lawyers
Conflict of Interest Disclosures (Councillors)	Nil
Conflict of Interest Disclosures (Officers)	Nil
Matters discussed:	Bannockburn Children's Services Best Value Review
Completed by:	Eric Braslis, Chief Executive Officer 



Assembly of Councillors Record

Date of meeting:	Tuesday 17 September 2019
Time:	12.30pm
Purpose of meeting:	Councillor Briefing session
Councillors present:	Cr Owen Sharkey, Mayor Cr Helena Kirby Cr Joanne Gilbert Arrived 1.05pm (after TGGB) Cr Nathan Hansford Cr Les Rowe Cr David Evans
Apologies:	Cr Des Phelan
Council staff present:	Eric Braslis, Chief Executive Officer Lisa Letic, Director Community Services Philippa O'Sullivan, Director Corporate Services Bec Hickey, Health and Wellbeing Team Leader Helena Charles, Senior Economic Development Officer Tim Waller, Development Manager Sarah Fisher, Statutory Planning Team Leader Laura Wilks, Strategic Planning Team Leader Tony Talevski, Roads and Waste Management Team Leader David Greaves, Works Manager Candice Robinson, Corporate Governance Coordinator Fiona Rae, Finance Manager Leanne Green, Acting Ageing and Disability Manager
Other people present:	Brett Ince and John Stephens, Tourism Greater Geelong and Bellarine Dee Micevski, Women's Health Grampians
Conflict of Interest Disclosures (Councillors)	Nil
Conflict of Interest Disclosures (Officers)	Nil
Matters discussed:	<p>Presentations</p> <ul style="list-style-type: none"> - Presentation from Tourism Greater Geelong and The Bellarine Inc - Municipal Health and Wellbeing Plan - Priority 5 <p>Reports</p> <ul style="list-style-type: none"> - Citizen Recognition - P19-084 - 85 Ackland Road, Lethbridge for a two-lot subdivision - P19-081 - 605 Bannockburn-Shelford Road, Bannockburn for the use and development of the land for industry (composting facility) - Roads 2 Recovery & Golden Lake road funding reallocation - Barwon Park Road Bridge Deck Replacement - Inverleigh (Contract No. GPSC-RFT-10-2019) - Awarding of Tender - Endorsement of the Bannockburn Transport Strategy - Local Government Inspectorate Examination – Progress Report - Policy and Procedure Framework - Review of Instrument of Delegation - Council to CEO - Financial Assistance Grants - Final 2019-20 Allocation - Quarterly Finance Report - In-Principle Performance Statement and In-Principle Financial Statements for the year ended 30 June 2019 - Policies - Asset Disposal and Reserve/Provision Funding - Audit & Risk Committee Report - 10 September 2019 - Procurement Policy Review <p>Updates</p> <ul style="list-style-type: none"> - Swimming pool and spa barrier compliance - Regulatory Impact Statement (Building Amendment - Swimming Pool and Spa Regulations 2019) - Active Ageing & Disability Services Update - Mayoral Election Process - Investment Attraction & Business Support Update



	<ul style="list-style-type: none">- Federal Election Commitments Update- Major Projects - Progress Update <p>Dinner Guest</p> <ul style="list-style-type: none">- Michaela Settle
Completed by:	Eric Braslis, Chief Executive Officer 

7.2 DELEGATES REPORT - 28 AUGUST 2019 TO 23 SEPTEMBER 2019**File Number:****Author: Sharon Naylor, Executive Assistant - Chief Executive Officer****Authoriser: Eric Braslis, CEO****Attachments: 1. MAV - Our Board****RECOMMENDATION**

That Council receive and note the Delegates Report – 28 August 2019 to 23 September 2019.

Cr Owen Sharkey

29 August Official launch of the Mayoral Youth Project
 29 August CHCV Mayor's and CEO's Meeting
 30 August 2019 G21 Stakeholder Forum
 8 September Conversation Post in Batesford
 10 September Audit & Risk Committee Meeting
 12 September Conversation Post in Teesdale
 13 September Roundtable Discussion with Minister for Energy, Environment & Climate Change on Kerbside Reforms
 13 September Bannockburn Chamber of Commerce's Annual General Meeting
 16 September Bannockburn Children's Centre Workshop
 17 September Councillor Briefing meeting
 18 September Official Opening of the Smythesdale Courthouse
 18 September Waste Community Panel/Focus Group
 20 September G21 Board Meeting
 21 September Waste Strategy Consultation

Cr Les Rowe

8 September Conversation Post in Batesford
 16 September G21 Environment Pillar meeting
 16 September Bannockburn Children's Centre Workshop
 17 September Councillor Briefing meeting
 18 September Official Opening of the Smythesdale Courthouse

Cr David Evans

8 September Conversation Post in Batesford
 10 September Audit & Risk Committee Meeting
 12 September Conversation Post in Teesdale
 13 September Rural and Peri Urban Advisory Committee meeting
 16 September G21 Environment Pillar meeting
 16 September Bannockburn Children's Centre Workshop
 17 September Councillor Briefing meeting
 21 September Waste Strategy Consultation

Cr Nathan Hansford

MAV Update as attached

September 2019

Welcome to the September edition of *Our Board*, the monthly update to MAV Representatives summarising key Board decisions and other items of interest.

2019 Local Government Bill Submission

The President provided an update about ongoing discussions with the government, opposition and crossbench MPs in relation to our position on proposed new reforms for the 2019 *Local Government Bill*. A copy of our [submission](#) is available online, and was sent to the government and circulated to all members.

IGEM Review – Ten Years of Emergency Management Reform

As part of the review undertaken by the Inspector-General for Emergency Management (IGEM) on ten years of emergency management reforms, we co-hosted seven consultation sessions for councils with IGEM. The sessions took place across Victoria and were well-received and attended. Our draft submission on the review was endorsed for circulation to councils by the CEO, with feedback requested by Wednesday 2 October.

MAV Insurance – Liability Mutual Insurance (LMI) Scheme Update

Our Manager, MAV Insurance presented an update on the LMI Scheme and the ongoing JLT class action. We were presented with options for the Scheme's future structure and the key person options for the AFS (Australian Financial Services) license.

Meeting with Environmental Minister

We met with Minister D'Ambrosio, who advised that the Circular Economy Policy has been brought forward to later this year – ahead of 2020, as originally planned. The Minister acknowledged the room for improvement with our current recycling system, and was open to Board comments and suggestions for rebuilding confidence in communities.

Board Minutes

We've been sharing our Board meeting minutes via the members-only area of our website. The September Board minutes are now available to view. A reminder that you'll need to [register a user name and password](#) (if you don't already have one) to access the new section [Our Board Hub](#) where the minutes are located.

Upcoming Events and Key Dates

26 September – Metro East Region Meeting

2 October – Metro Central Meeting

11 October – Rural Gippsland Meeting

15 October – Metro Southern Meeting (Teleconference)

17 October – Annual Conference and Dinner

18 October – MAV State Council Meeting

28 November – Metro East Region Meeting

7.3 CITIZEN RECOGNITION

File Number:**Author:** Sharon Naylor, Executive Assistant - Chief Executive Officer**Authoriser:** Eric Braslis, CEO**Attachments:** Nil

Golden Plains Shire is proud to recognise the fantastic achievements and contributions made by young people in the community. We are fortunate today to present two Citizen Recognition Awards, which includes a certificate of recognition to Noah Grootveld and James Malseed.

Noah Grootveld is being recognised for his achievement in sport.

- Noah is 8 years old, lives in Bannockburn and has been playing Futsal (Indoor Soccer) since he was 6.
- Noah has been accepted to the Victoria State Futsal team and will be competing in the National Schools Futsal Competition.

James Malseed is being recognised for his achievement in sport.

- James is 9 years old, lives in Bannockburn and has been playing Futsal (Indoor Soccer) since he was 8.
- James has been accepted to the Victoria State Futsal team team and will be competing in the National Schools Futsal Competition.

7.4 P19-081 - 605 BANNOCKBURN-SHELFORD ROAD, BANNOCKBURN FOR THE USE AND DEVELOPMENT OF THE LAND FOR INDUSTRY (COMPOSTING FACILITY)**File Number:****Author:** Sarah Fisher, Statutory Planning Team Leader**Authoriser:**

- Attachments:**
1. Recommended Conditions
 2. Copy of Objections and Submissions (under separate cover)
 3. Full Officer Report (under separate cover)
 4. Copy of Application and Plans (under separate cover)
 5. Copy of EPA Guideline Designing, Constructing & Operating Composting Facilities Publication 1588, June 2017 (under separate cover)
 6. Copy of Referral Responses (under separate cover)

RECOMMENDATION

That Council resolves to issue a Notice of Decision to Grant a Planning Permit for the use and development of the land for Industry (Composting facility) at 607 Bannockburn-Shelford Road, Bannockburn subject to the conditions attached to this report (Attachment 1).

EXECUTIVE SUMMARY

This report relates to a planning permit application for the use and development of land for the purposes of Industry (composting facility) at 607 Bannockburn-Shelford Road, Bannockburn subject to the conditions attached to this report.

The composting system proposes to use 2 hectares of the site for the blending of selected organic feedstocks with green organics and a compost activator. The piles of compost are not turned, instead they are left undisturbed for approximately 10 weeks. The application proposes to accept up to 50,000m³ of material annually, to be brought to site via up to 4 truckloads per day. The end product is for the purposes of agricultural fertiliser. The application has been internally referred to Council's Works, Natural Resources and Strategic Planning departments, and externally to the Corangamite Catchment Management Authority (CCMA), Environment Protection Authority (EPA) and VicRoads. No referrals resulted in objection to the proposal.

The application has been referred to the Council Meeting for determination because there are objections to the application. Objector's concerns have been categorised into the following themes:

- Odour & air emissions
- Biosecurity, pests & vermin
- Composting process, site controls, environmental management plan & applicant's track record
- Wastewater and impacts on water resources
- Human health & wellbeing
- Traffic, roads & safety
- Site selection & land use zoning
- Community & socioeconomics
- Other (Visual & landscape amenity, wildlife & natural environment)

BACKGROUND

The subject land is situated at 607 Bannockburn-Shelford Road, Bannockburn which is situated between Bannockburn and Teesdale. The site is over 60ha in area, contains a dwelling and agricultural shedding and is used for broadacre agricultural purposes.

This application proposes the use and development of the land for Industry, specifically an aerobic composting facility for the treating of waste materials. The system proposes the blending of selected organic feedstocks with green organics and a compost activator*. The material is blended and formed into piles thus allowing the activator to establish the required microbiological regime to complete the composting process. The piles of compost are not turned. *Refer to Attachment 3 for full proposal details.

POLICY CONTEXT

The site and surrounding land is in a Farming Zone (FZ) and is not subject to any overlays. A permit is required to use and develop the land for Industry. The definition of Industry in the Planning Scheme, includes the 'treating waste materials'.

Planning Policy Framework clauses including 13 Environmental Risks & Amenity, 14 Natural Resource Management, 17 Economic Development and Local Planning Policy clauses 21.03 Environment & Natural Resources and 21.05 Economic Development are relevant to the consideration of this application as is Clause 53.10, Uses with adverse amenity potential.

DISCUSSION

The application satisfies the provisions of the Planning Scheme, including State and local policies, Clause 53.10, Uses with adverse amenity potential and the decision guidelines of the Planning Scheme (Clause 65).

CONSULTATION

Notice of the application was given in accordance with Section 52 (1) (a) and (d) of the Planning and Environment Act 1987. Notice was provided to all owners and/or occupiers within a 2km radius of the site.

As a result of the public notice, 41 objections were received including 1 petition with 41 signatures. One (1) submission in support of the proposal was also received. A copy of all submissions is available at Attachment 4.

CONFLICT OF INTEREST

In accordance with Section 80B of the Local Government Act 1989, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

The application satisfies the provisions of the Planning Scheme, including State and local policies, Clause 53.10, Uses with adverse amenity potential and the decision guidelines of the Planning Scheme (Clause 65). Clauses including 13 Environmental Risks & Amenity, 14 Natural Resource Management, 17 Economic Development, 21.03 Environment & Natural Resources and 21.05 Economic Development have been examined in considering this proposal.

Waste, in many forms, is currently a major issue for local government and society more broadly. Uses and associated practices that can respond to the planning scheme in a socially, environmentally and economically responsible manner, meeting aims and objectives of State and local planning policy relating to matters such as natural resource management, air quality management and land use compatibility, which demonstrate a net community benefit, should be supported.

This application appropriately responds to these matters and it is therefore recommended that a Notice of Decision to Grant a Planning Permit should be issued.

**PLANNING APPLICATION P19-081 FOR THE USE AND DEVELOPMENT OF THE LAND FOR INDUSTRY
(COMPOSING FACILITY) AT 607 BANNOCKBURN-SHELFORD ROAD, BANNOCKBURN**

RECOMMENDED CONDITIONS FOR A NOTICE OF DECISION TO GRANT A PERMIT

Amended plans

1. Prior to the commencement of the use and development hereby approved, amended plans must be submitted to and approved by the responsible authority. When approved the plans will be endorsed and will then form part of the permit. The plans must be generally in accordance with the plans submitted with the application, drawn to scale, and include orientation, adjoining road names and dimensions, but modified to show:
 - a) Dimensions of the site area
 - b) Location of external bund with an overall height of 3m
 - c) Vehicle access to the facility on the site layout plan

Expiry

2. This permit will expire if:
 - a) The use and development has not commenced within two (2) years of the date of this permit; or
 - b) If the Work Approval for the use issued under the provisions of the Environment Protection Act 1970 is cancelled or expires.
3. The use and associated works on the subject land must not commence until the Work Approval is granted in accordance with the requirements of the Environment Protection Act 1970.

Endorsed plans

4. The layout of the site and the size of the proposed works as shown on the endorsed plans must not be altered or modified without the written consent of the responsible authority.
5. The use and associated works must at all times be in accordance with the Work Approval, issued pursuant to Environment Protection Act 1970 and the endorsed plans that form part of this permit.

Landscaping

6. Prior to any development or works on site associated with the use hereby approved, landscaping plans prepared by a suitably qualified and/or experienced professional, must be submitted to the responsible for approval, and when endorsed, will form part of the permit. The plans must show:
 - a) A landscaping strip on the northern side of the bund with a minimum width of 10m.
 - b) Species of trees and/or shrubs.
 - c) Number and location of plantings.
 - d) Pot size at time of planting.
 - e) Any fencing and/or guarding details.
 - f) The selected species must take into account local conditions and be capable of providing a suitable level of screening.

All to the satisfaction of the responsible authority.

7. The landscaping areas must be planted prior to the commencement of use and maintained to the satisfaction of the responsible authority.

Hours of operation

8. Unless with the prior written consent of the responsible authority, the use hereby permitted, including the transportation of material to and from the site must only operate between the following times:
 - a) 7am – 6pm Monday to Friday
 - b) 7am – 4pm Saturday
 - c) No work is permitted on Sunday or Public Holidays
9. No more than four (4) trucks per day are permitted in association with the use hereby approved, unless otherwise approved in writing by the responsible authority.

General

10. All vehicles exiting the property must be washed down to ensure no material and/or mud is transported onto the local road network to the satisfaction of the responsible authority.
11. Any external lighting must be fitted with suitable baffles or otherwise directed to prevent the emission of light outside the perimeter of the subject land to the satisfaction of the responsible authority.
12. No advertising signs are permitted to be erected, painted or displayed on the subject land without the written permission of the responsible authority unless in accordance with the provisions of the Golden Plains Planning Scheme.

Amenity

13. The use and associated works must be managed so that the amenity of the area is not detrimentally affected, through the:
 - a) Transport of materials, goods or commodities to or from the land;
 - b) Appearance of any building, works or materials
 - c) Emission of noise, artificial light, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, grit or oil;
 - d) Presence of vermin and use of chemicals to eradicate pest animals and plants.
14. No materials, other than materials required to facilitate the composting facility approved by this permit, are to be brought to or stored at the approved area of the site which is to be used and developed for composting without the prior written consent of the responsible authority.
15. The use hereby permitted is for the composting of organic agricultural materials only and must not be altered without the approval of the responsible authority.
16. Prior to the commencement of the use, an environmental management plan to the satisfaction of the responsible authority must be submitted to and approved by the responsible authority. When approved, the plan will be endorsed and will then form part of the permit. The plan must include:
 - a) Details as to how the site will be managed, including dust, odour, pests and vermin, noise, mud on roads

- b) Details as to the amounts of material to be delivered, stored and exported from the site on a daily, and weekly basis
 - c) Details as to how the odour will be monitored including compliance with the Environment Protection Act 1970
 - d) Contingency measures to deal with any elevated dust, odour and noise conditions.
17. Any failure to meet the standards of the Environment Protection Act 1970 must be brought to the attention of the EPA and Golden Plains Shire Council immediately and actions specified by that Authority to bring the use into compliance must be carried out to the satisfaction of the responsible authority.
18. The subject land must be drained to the satisfaction of the responsible authority, and any drainage infrastructure must be constructed in accordance with the designs provided to and approved by the responsible authority.
19. The use and development hereby permitted must not cause any nuisance or loss of amenity in any adjacent or nearby land by the reasons of discharge of drainage.
20. A contaminants spill kit is to be made available on-site at all times to the satisfaction of the responsible authority to ensure that the approved use does not impact upon the groundwater table as a result of accidental fuel spillage.

Works conditions

21. Prior to the commencement of the use, an all weather access road must be constructed, formed and drained or existing access upgraded with dimensions adequate to accommodate transport and emergency vehicles, to the satisfaction of the responsible authority.
22. Prior to the commencement of the use, the existing vehicle crossing on the Bannockburn-Shelford Road must be upgraded by provision of a crushed rock drive entry and culvert, conforming to the requirements of the Golden Plains Shire Council as contained within the Infrastructure Design Manual (IDM), to the satisfaction of the responsible authority.
23. Prior to the commencement of use, suitable provision for turning vehicles must be provided along the Bannockburn-Shelford Road, conforming to the requirements of Austroads Guide to Traffic Engineering – Part 5: Intersections at Grade to the satisfaction of the Responsible Authority.
24. The permit holder must ensure that the site is developed and managed to minimize the risk of storm water pollution through the contamination of runoff by chemicals, nutrients, sediments, waste compost or gross pollutants in accordance with currently accepted best practices.
25. All vehicles transporting material to and from the site must be fully secured and contained so that no products are spilled to the satisfaction for the responsible authority.
26. Prior to commencement of any construction works associated with the development, detailed construction plans, drainage computations and specifications, to the satisfaction of the responsible authority must be submitted to and approved by the responsible authority.
27. Prior to the commencement of the use, the applicant must install bunds and cut off drains around the boundary of the treatment facility to prevent contaminated run-off from entering into any waterway or onto adjoining land.

EPA conditions

28. Offensive odours must not be discharged beyond the boundaries of the premises.
29. Nuisance dust and/or airborne particles must not be discharged beyond the boundaries of the premises.

30. Noise emitted from the premises must not exceed the recommended levels as set out in Noise from Industry in Regional Victoria (NIRV; EPA Publication 1411, 2011) or as amended.
31. Storm water contaminated with effluent must not be discharged beyond the boundary of the premises.
32. A secondary containment system must be provided for liquids which if spilt are likely to cause pollution or pose an environmental hazard, in accordance with the EPA publication 347 Bunding Guidelines 1992 or as amended.
33. The applicant must install bunds and/or cut-off drains around the boundary of operational areas to prevent contaminated run-off entering the waterway.

Note: All wastewater must be treated and retained within the lot in accordance with the State Environment Protection Policy (Waters of Victoria) under the Environment Protection Act 1970

7.5 P19-084 - 85 ACKLAND ROAD, LETHBRIDGE FOR A TWO-LOT SUBDIVISION**File Number:****Author:** Tim Waller, Development Manager**Authoriser:**

- Attachments:**
1. **Recommended Conditions**
 2. **Copy of Objection (under separate cover)**
 3. **Full Officer Report P19-084 (under separate cover)**
 4. **Copy of Application and Plans (under separate cover)**

RECOMMENDATION

That Council resolves to issue a Notice of Decision to Grant a Planning Permit for the development of a two lot subdivision at 85 Ackland Road, Lethbridge subject to the conditions attached to this report.

EXECUTIVE SUMMARY

This report relates to a planning permit application for the development of land for the purposes of a two lot subdivision at 85 Ackland Road, Lethbridge. The application has been referred to the Council Meeting for determination because there is an objection to the application.

Matters of concern raised via the objection relate to the Lethbridge Structure Plan, with particular reference made to a part of the Structure Plan which states '*If sewerage becomes available...*' The objection queries how this application can be considered given the Structure Plan and inadequate drainage in the area.

The Structure Plan simply makes reference to the possibility of sewerage ever becoming available. It is not available in Lethbridge at this point time and is not currently under consideration. Therefore the usual considerations and assessment for effluent disposal apply which includes a requirement that lots to be at least 0.4ha (4000²m) in area and be capable of containing and treating all effluent on site. A Land Capability Assessment (LCA) was submitted with the application and assessed by Council Environmental Health Department who did not object, but did recommend conditions.

The application was also referred to Council's Works department for consideration of drainage. Works did not object to the proposal and have also recommended conditions to address drainage and access. This includes physical works to be undertaken prior to the issue of statement of compliance. Works are required to be undertaken in accordance with Council's Infrastructure Design Manual (IDM).

BACKGROUND

The subject land is a regular rectangular shaped allotment containing a total area of 2.05 hectares. The site is currently developed with a single dwelling surrounded by existing mature trees. Due to a right angled bend in Ackland Road the property has road frontage to both the west and to the south. The site and the immediately adjoining properties are located in the Low Density Residential Zone. Land to the south, on the opposite side of Ackland Road, is located in the Township Zone. The land has access from Stevenson Road which is a sealed road managed by Council. The land is not affected by any restrictive covenants.

The application proposes a two lot subdivision (refer to attachment 3). The proposed subdivision will create a vacant lot of 4000 square metres (0.4ha) in the southern corner of the subject land (proposed lot 2). Proposed lot two would have a 50 metre frontage to Ackland Road and would accommodate an existing dam. Lot 1 would contain the existing dwelling and have a total area of 1.6 hectares. No vegetation removal is required to facilitate the proposed subdivision.

POLICY CONTEXT

The site and surrounding land is located within a Low Density Residential Zone (LDRZ). A permit is required to subdivide land under the provisions of the LDRZ. The minimum lot size in the LDRZ is

0.4 hectares. The subject land is affected by the Design & Development Overlay Schedule 5 (DDO5) which relates to setbacks for the construction of buildings.

The local policy for Low Density Residential Subdivision (Clause 22.09) applies to this application. This policy seeks to ensure the elements of land capability and character are addressed when considering subdivision applications.

DISCUSSION

Planning policy

The application is considered to satisfy the relevant provisions of the planning scheme including the local policy for Low Density Residential Development (Clause 22.09). The proposed subdivision design contributes to the character of the area by creating lots of sufficient size to provide setbacks in accordance with the DDO5, retaining existing vegetation and providing space for additional landscaping. A land capability assessment submitted with the application demonstrates that the proposed lots are capable of accommodating on-site effluent disposal.

CONSULTATION

Notice of the application was given in accordance with Section 52 (1) (a) of the *Planning and Environment Act 1987*. As a result of the public notice, one [1] objection was received (refer to Attachment 2). The objection raised concerns regarding existing planning scheme directions relevant to subdivision, and concerns regarding inadequate drainage that would potentially impact any future waste water treatment system on the proposed lot.

CONFLICT OF INTEREST

In accordance with Section 80B of the Local Government Act 1989, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

The application satisfies the provisions of the Planning Scheme, including State and Local planning policies, particularly the Local Policy for Low Density Residential Development (Clause 22.09), the provisions of the Low Density Residential Zone and Design & Development Overlay – Schedule 5, and the decision guidelines of the Planning Scheme (Clause 65). The proposed subdivision design maintains the character of the area and the proposed lots are considered to be capable of on-site effluent disposal.

**PLANNING APPLICATION P19-084 FOR A TWO (2) LOT SUBDIVISION AT 85 ACKLAND ROAD,
LETHBRIDGE**

RECOMMENDED CONDITIONS FOR A NOTICE OF DECISION TO GRANT A PERMIT

Endorsed plans

1. The layout of the subdivision and the size and dimensions of the proposed lots must conform generally with the endorsed plan. Each lot must be a minimum of 0.4ha.

Prior to certification

2. Prior to certification, a restriction must be placed on the plan of subdivision that provides for the following:
 - a) An effluent disposal envelope that is at least 360m² on the formal plan of subdivision for the proposed Lot 2, demonstrating setbacks to proposed boundaries in accordance with the Land Capability Assessment Report No. 11388J, completed by Provincial Geotechnical Pty Ltd, dated 30 October 2018.
 - b) This requirement is at the owner's expense and must not be varied except with the written consent of the responsible authority.
 - c) Plans submitted for certification must show all bearings, distances, street names, lot numbers, lot sizes and easements.

Statement of compliance

3. Prior to the issue of Statement of Compliance, under the *Subdivision Act 1988*, the existing septic tank system must be altered/decommissioned/replaced and brought into compliance with the latest version of the 'EPA Code of Practice – Onsite Wastewater Management' to the satisfaction of the responsible authority.
4. Prior to the issue of Statement of Compliance under the subdivision Act 1988, the applicant must:
 - a) Fill the existing dam on the proposed Lot 2 in accordance with the requirements of the Golden Plains Shire Council as contained within the Infrastructure Design Manual (IDM) and AS 3798-2007 Guidelines on Earthworks for Commercial and Residential Developments.
 - b) At completion of the works a report is to be provided from NATA approved laboratory confirming that works have been constructed in accordance with approved plans and specifications.

All to the satisfaction of the responsible authority.

5. Prior to issue of statement of compliance a separate vehicle crossing to each lot must be provided or existing vehicle crossing upgraded by provision of a crushed rock drive entry, reinforced concrete pipe culvert and mountable end walls conforming to the requirements of the Golden Plains Shire Council as contained with the Infrastructure Design Manual (IDM) standard drawing SD 255 and to the satisfaction of the responsible authority.
6. Prior to the issue of Statement of Compliance the developer must:
 - a) Provide an open earth drain along the eastern boundary of Lot 2, discharging to the existing open drain in Broom Road or as agreed with the responsible authority.
 - b) Undertake drainage works in the existing open drain in Broom Road to ensure the free flow of storm water.

- c) Drainage works are to provide to each allotment in the subdivision a discharge point.
- d) Works must be in accordance with the requirements of the Golden Plains Shire Council as contained within the Infrastructure Design Manual (IDM).
- e) Open drains, where required, must be contained within a minimum 5m drainage easement which must be set aside on the Plan of Subdivision for this purpose.

All to the satisfaction of the responsible authority.

- 7. Prior to the issue of Statement of Compliance all existing and proposed easements and sites for existing or required utility services, drainage and roads on the land must be set aside in the Plan of Subdivision submitted for certification in favour of the relevant authority for which the easement or site is created.
- 8. Prior to the issue of Statement of Compliance under the Subdivision Act 1988, a development contribution of \$1500 must be paid to the responsible authority.

Telecommunications

- 9. The owner of the land must enter into an agreement with:
 - a) a telecommunications network or service provider for the provision of telecommunication services to each lot shown on the endorsed plan in accordance with the provider's requirements and relevant legislation at the time; and
 - b) a suitably qualified person for the provision of fibre ready telecommunication facilities to each lot shown on the endorsed plan in accordance with any industry specifications or any standards set by the Australian Communications and Media Authority, unless the applicant can demonstrate that the land is in an area where National Broadband Network will not be provided by optical fibre.
- 10. Before the issue of Statement of Compliance for any stage of the subdivision under the Subdivision Act 1988, the owner of the land must provide written confirmation from:
 - a) a telecommunications network or service provider that all lots are connected to or are ready for connection to telecommunications services in accordance with the provider's requirements and relevant legislation at the time; and
 - b) a suitably qualified person that the fibre ready telecommunication facilities have been provided in accordance with any industry specifications or any standards set by the Australian Communications and Media Authority, unless the applicant can demonstrate that the land is in an area where the National Broadband Network will not be provided by optical fibre.

General

- 11. The owner of the land must enter into agreements with the relevant authorities for the provision of water supply, drainage, sewerage facilities, electricity and gas services to each lot shown on the endorsed plan in accordance with the authority's requirements and relevant legislation at the time.
- 12. All existing and proposed easements and sites for existing or required utility services and roads on the land must be set aside in the plan of subdivision submitted for certification in favour of the relevant authority for which the easement or site is to be created.

13. The plan of subdivision submitted for certification under the *Subdivision Act 1988* must be referred to the relevant authority in accordance with Section 8 of that Act.
14. All waste water must be treated and retained within the lot/s in accordance with the State Environment Protection Policy (Waters of Victoria) under the *Environment Protection Act 1970*.

Expiry

15. This permit will expire if:
 - a) The plan of subdivision is not certified within two (2) years of the date of this permit; or
 - b) The registration of the subdivision is not completed within five (5) years of the date of certification.

The responsible authority may extend the periods referred to if a request is made in writing before the permit expires or within six (6) months afterwards.

Note: Prior to certification the responsible authority will required a plan showing the location of all existing and proposed vehicle crossings. The plan is required to show setback distances of existing and proposed crossovers from the closest property boundary, to the satisfaction of the responsible authority. The plan is required to satisfy Regulation 29 of the Subdivision (Procedures) Regulations 2011, allowing the allocation of street numbers.

Note: A works within road reserve permit must be obtained from the Council prior to the carrying out of any vehicle crossing works.

Note: Works department will not consent to the issue of Statement of Compliance until such time as the applicant contact provides satisfactory evidence of compliance with the above conditions.

7.6 ROADS 2 RECOVERY & GOLDEN LAKE ROAD FUNDING REALLOCATION**File Number:****Author:** David Greaves, Works Manager**Authoriser:** Eric Braslis, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION**

That Council:

1. Allocate the additional Roads to Recovery funding of \$466,655 to the following projects;
 - (a) Barwon Park Road Bridge Deck Replacement - \$110,000
 - (b) Maude – She Oaks Rd upgrade - \$156,655
 - (c) Review, design, specification and tender preparation for identified future bridge and road upgrade projects - \$200,000
2. Reallocate \$300k from the Golden Lake Rd bridge project to the Franklin Bridge Replacement project (\$200,000) and the remaining \$100,000 (carried over) to the 2020/21 Resealing program.

EXECUTIVE SUMMARY

Since the adoption of Councils 2019/20 budget in July 2019 there have been several changes to projects and funding most notably the increase in funding to the Federal Government “Roads to Recovery” program and the Council decision to not proceed with the replacement of Golden Lake Rd Bridge in Piggoreet. As a result, Council is required to determine how these funds are reallocated.

BACKGROUND

Since the adoption of Councils 2019/20 budget in June 2019 there have been several changes to projects and funding contained within the adopted budget.

Roads to Recovery Program

In April 2019 Council received advice from the Federal Government noting that our Roads to Recovery funding allocation had been increased. The current level of government funding has been increased to \$2.6 billion over the 2019–2024 period. There has also been additional allocations of funding to deliver \$2.2 billion in road safety programs such as the Black Spot Program, Heavy Vehicle Safety Program and the Bridges Renewal Program.

Information on the adjusted allocations were sent to all councils Mayors, on 3 April 2019, advising them of the revised funding with a request for councils to consider road safety focused projects, along with the new conditions.

Council were advised that our Roads to Recovery life of program allocation had been adjusted to \$6,668,277 resulting in an average allocation of \$1,337,655 per annum for the 5 year program resulting in an increase this year of \$466k.

Golden Lake Road Bridge Renewal

At the Council meeting of the 27 August 2019 Contract No. GPSC-RFT-08-2019 – Golden Lake Rd, Piggoreet Bridge replacement was put to Council. Following debate Council resolved Not proceed with the Golden Lake Road bridge replacement project over the Woody Yaloak River, Piggoreet, on the grounds that the submitted tenders are significantly in excess of the available budget for the project and requested a further report on how the \$300k Council funding for this project can be best reallocated to other 2019/20 road and / or bridge renewal projects.

Proposed Reallocation of Additional R2R Funding

The below table provides advice to Council on how Officers believe the available funds are best utilised to provide the immediate benefit in the 2019/20 financial year and align to the Government requirements of delivering road safety focused projects as part of the Roads to Recovery program.

It should be noted that the \$466,655 additional Roads to Recovery funding cannot be transferred or rolled forward to future years and must be spent within the current 2019/20 financial year.

Capital Works allocation program	Proposed Reallocation	Comments
Barwon Park Road Bridge Deck Replacement	\$110,000	Shared asset with Surf Coast Shire. Following a competitive tender process the submitted tenders came in higher than expected Surf Coast Shire have agreed to increase their share of costs to cover the shortfall in 2019/20 subject to Council approval.
Maude – She Oaks Rd upgrade. Estimates for full road safety treatments between Sharps & Steiglitz Rd.	\$156,655	2019/20 budget for this project is \$1.1m. Budget was allocated due to community concerns prior to any formal road safety review or design. Officers have now undertaken a full safety review and design of this project and determined that depending on the final solutions costs could be as high as \$3m to undertake all works. As such Officers believe that transferring the remainder of the R2R funding will provide the greatest benefit on this project.
Review and design of bridges & Roads for future funding (examples below): <ul style="list-style-type: none"> • Geggies Rd Bridges (Rokewood) • Two Bridges Rd Bridges (Rokewood) • Reserve Rd Bridge (Rokewood) • Meredith-Shelford Rd (Meredith) • McPhillips Rd (Bannockburn) • Dereel-Mt Mercer Rd (Mt Mercer) 	\$200,000	This would allow for review, design, specification and tenders for listed bridges and roads that can be potentially utilised during the next round of Grant funding programs or a future capital works bid. <i>Officers recommend this as the preferred option.</i>

Options for the savings identified from Golden Lake Rd Bridge replacement project

The below table provides advice to Council on how officers believe the available funds saved from the Golden Lake Rd Bridge project totalling \$300,000 could be utilised to provide benefit in the 2019/20 or 2020/21 financial years.

Capital Works reallocation options	Budget	Comments
Retain funds	\$300,000	Retain funds to use for potential future grant submissions, roll forward to 2020/21 or reduce debt.
Franklin Bridge	\$200,000	Shared asset with City of Ballarat. City of Ballarat

Replacement		<p>have requested additional funding to cover shortfall due to unforeseen requirements from the additional requirements placed on this bridge project by the CCMA. The Federal Government has increased their funding by nearly \$1m and the City of Ballarat will provide an additional \$800k. The total project is nearly \$4m and Golden Plains Shire contribution was originally \$375k.</p> <p><i>Officers recommend this as the preferred option.</i></p>
Maude – She Oaks Rd upgrade. Estimates for full road safety treatments between Sharps & Steiglitz Rd.	\$300,000	<p>2019/20 budget for this project is \$1.1m. Budget was allocated due to community concerns prior to any formal road safety review or design. Officers have now undertaken a full safety review and design of this project and determined that depending on the final solutions costs will cost upwards to \$3m.</p>
Victoria Park Recreation Reserve - Upgrade of roadways and parking around Victoria Park Recreation reserve ovals to bitumen seal surface.	\$300,000	<p>Would provide long lasting finish and compliment lighting upgrade while also formalising additional parking for spectators and providing overflow parking for the farmers market and The Heart Playspace.</p>
Council Reseal program	\$300,000	<p>Increase funding for the 2020/21 reseal program. This would deliver approximately 10km of additional treatment as per our program. Funds would be required to be rolled forward.</p> <p><i>Officers recommend this as the preferred option</i></p>

CONFLICT OF INTEREST

In accordance with Section 80B of the Local Government Act 1989, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

Officers seek Council approval for the reallocation of the addition \$466,655 of Roads to Recovery funding and the \$300,000 of funding from the Golden Lake Rd bridge project.

7.7 BARWON PARK ROAD BRIDGE DECK REPLACEMENT - INVERLEIGH (CONTRACT NO. GPSC-RFT-10-2019) - AWARDING OF TENDER**File Number:****Author:** Tony Talevski, Team Leader of Roads & Waste Services**Authoriser:****Attachments:** Nil**RECOMMENDATION**

That Council:

1. Resolves to award contract GPSC-RFT-10-2019, Barwon Park Road Bridge deck replacement, Inverleigh, to ACE Infrastructure Pty Ltd for the tendered sum of \$619,632.43 (ex GST) in accordance with clause 2.4.3 of the procurement policy and subject to Surf Coast Shire Council approving additional contribution.
2. Authorise the Chief Executive Officer to execute Contract No. GPSC-RFT-10-2019 with Ace Infrastructure Pty Ltd for Barwon Park Road Bridge deck replacement in Inverleigh.
3. Resolves to allocate an additional amount to the 2019/20 budget of \$110,000 from Roads to Recovery Funding.

EXECUTIVE SUMMARY

Having undertaken a competitive tender process for the Barwon Park Road Bridge Deck Replacement, Inverleigh and having evaluated and assessed the tenders received, Council is now being requested to approve awarding of the contract to the preferred and recommended tenderer.

BACKGROUND

Golden Plains Shire Council is responsible for 138 bridge and major culvert structures, of which many are considered to be near the end of their serviceable life or require significant rehabilitation.

Barwon Park Road Bridge is showing signs of structural distress in spans 1 and 3. This is displayed in structural cracking longitudinally along the units near the junction of the legs and deck element of the U-slab and cracking of the masonry shear keys between units (observed on top of deck). The legs of the U-slabs have minor flexural cracking but not of as much concern as the longitudinal cracking above. It is estimated from observations that 40% of the existing U-slabs in both spans 1 and 3 are exhibiting these issues.

Works will also include, the construction of a retaining wall to improve retention of approach fill and issues with scouring, particularly at the North abutment. The existing and outdated w-beam bridge barrier will be removed and upgraded to a VicRoads approved medium performance bridge barrier with approach railing consisting of w-beam barrier to the bridge railing. The narrow 3.8m wide and steep road approach from the north is proposed to be widened to match the recently completed road works.

It is noted that Council shares responsibility for this bridge with Surf Coast Shire, who have committed to funding half of the costs of the works, and have confirmed their additional contribution of \$110,000.



Photo 1: Barwon Park Bridge Barrier.



Photo 2: Abutment.



Photo 3: Looking underneath.



Photo 4: Cracking of u-slab beams.

EVALUATION PROCESS

Six [6] tenders were received, and checked for correctness and for omissions/qualifications. Any tenders not meeting the mandatory criteria were excluded from further review. The details of each supplier are provided on the confidential attachment.

The Tender Evaluation Panel conducted a thorough evaluation of all conforming tenders. The evaluation panel determined a consensus for each weighted criteria to allow an evaluation score for each tender.

Each conforming submission was reviewed and evaluated using the agreed evaluation criteria as follows:

Mandatory Criteria	
OH&S and Risk Management System	Pass/Fail
Quality Policy & Management System	Pass/Fail
Environmental Policy & Management System	Pass/Fail
Insurance	Pass/Fail
Weighted Criteria	Weighting
Capability	25%
Capacity	25%
Price	45%
Local	5%
Total	100%

EVALUATION OUTCOME

Below are the weighted assessment results of the quantitative/qualitative criteria. To ensure best value for Council, a total of 25% weighting was attributed to Capability and a further 25% to Capacity. This weighting is critical in reducing the risks of engaging a contractor who is not capable of completing the project to a satisfactory standard or within the desired timeframe.

Councillors have previously been provided with a copy of the Tender Evaluation.

Coopers Bridge Replacement	Weighted Assessment Score (%)	Rank
ACE Infrastructure Pty Ltd	86.5	1
Tender B	75.29	2
Tender C	59.65	3
Tender D	58	4
Tender E	0	5
Tender F	0	6

FINANCIAL & RISK MANAGEMENT IMPLICATIONS

Council budgeted \$400,000 in the current (2019/20) financial year which includes a contribution of \$200,000 from Surf Coast Shire.

All submission received were higher than the budgeted estimate, the submission from ACE Infrastructure was the lowest provided to Council at \$619,632.43 excluding GST. Council officers recommend to fund the remaining balance of \$110,000 from the Roads to Recovery budget.

	Budget	Additional Amount	New Budget
Golden Plains Shire Council Contribution	\$200,000	\$110,000	\$310,000
Surf Coast Shire Council Contribution	\$200,000	\$110,000	\$310,000
Total	\$400,000	\$220,000	\$620,000

Barwon Park Road Bridge is a shared asset and will require Surf Coast Shire to also increase their contribution. Golden Plains Shire Council sought clarification from Surf Coast Shire on their ability to fund the additional amount, their response was positive subject to Councillors approval at their 24 September Council meeting, with an officer's recommendation to redeploy an additional \$109,816.215 towards Barwon Park Road, Bridge deck replacement. The submitted tender by ACE Infrastructure Pty Ltd is the lowest priced received, scored 86.5 in the weighted assessment and therefore is the panels preferred submission for award.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION / WAY FORWARD

The Tender Evaluation Panel recommend ACE Infrastructure Pty Ltd to be engaged to deliver the GPSC-RFT-10-2019 – Barwon Park Road Bridge Deck Replacement, located in Inverleigh.

7.8 ENDORSEMENT OF THE BANNOCKBURN TRANSPORT STRATEGY

File Number:**Author:** Laura Wilks, Strategic Planning Team Leader**Authoriser:****Attachments:**

1. Bannockburn Transport Strategy (under separate cover)
2. Submissions and response (under separate cover)

RECOMMENDATION

That Council adopt the Bannockburn Transport Strategy as provided at Attachment 1.

EXECUTIVE SUMMARY

Consultants Cardno were engaged in early 2018 by Golden Plains Shire Council to provide Transport Strategies for Traffic Management, Car Parking, and Sustainable Transport within the area defined by the Bannockburn Urban Design Framework (UDF). The Bannockburn Transport Strategy (BTS) has now been finalised and requires Councils endorsement. The BTS provides recommendations which align with the expected full development of Bannockburn as per the current UDF. The BTS also includes an implementation plan with high level construction cost estimates and likely timeframes.

BACKGROUND

Council was successful in receiving funding from the Victorian Planning Authority in early 2018 to develop a 20 year strategy which considers traffic, car parking, pedestrian, cycling and public transport for the Bannockburn Township. The purpose of the strategy is to identify future transport usage requirements, and consequential transport infrastructure requirements. The need for a comprehensive study arose as a result of Bannockburn's rapid population growth and the potential impacts from:

- Current and future residential development
- Proposed commercial development
- The Bannockburn Heart precinct
- New schools
- Emergency Management precinct
- Increased traffic

POLICY CONTEXT

The BTS will be used by various departments within Council. The works department will be able to use the recommendations to prioritise, plan and deliver infrastructure such as footpaths and road upgrades. The planning department will be in a position to seek contributions from developers where development of their land will increase traffic movements and trigger upgrades. Various departments within the Community Services directorate will be able to use the strategy as a basis for seeking external funding.

DISCUSSION

The recommendations, as a result of the detailed investigation, centre around the themes described below.

Future car parking provisions

The car parking requirements will be met by the redevelopment and expansion of the Bannockburn Plaza which is likely to include 382 car parking spaces. Other minor requirements would see the formalisation of on street parking and a review of current and potential future parking restrictions.

Future Bannockburn Road Network

At capacity the town will require a number of signalised intersections, roundabouts and road upgrades. Future road networks will be required to support development in the north-west and southern areas within the Bannockburn UDF boundary. Regional Roads Victoria have funded the construction of a roundabout at the Midland Hwy/Clyde Road intersection.

Town Centre Road Network Opportunities

At capacity the town centre would require a signalised intersection at High/Milton Street. If no other opportunities for access to the Midland Highway were realised High Street would need to be duplicated to accommodate two lanes in each direction. This funding demonstrates the need to explore alternative access path to the Midland Highway to the north and south of central Bannockburn.

Future Bannockburn Passive and Active Transport Networks

The Strategy recommends the upgrade or provision of new pedestrian crossings, proposed bus routes and footpath upgrades or additions to cater for new development and encourage a shift towards sustainable transport for local journeys.

Town Centre Active Transport Opportunities

The siting of bus terminals will need to be reconsidered should duplication of High Street be required.

CONSULTATION

Since early 2018 Council staff have been working with the consultants (Cardno) to develop the draft strategy. This has included various forms of consultation with the community and stakeholders as outlined below.

<u>April 2018</u>	Officers met with and briefed various community groups from Bannockburn on the project.
<u>April 2018</u>	A letter and survey were sent to all residents and businesses within the study area. The survey was also made available online. A total of 193 online survey responses and 101 paper surveys were received.
<u>July 11 2018</u>	A conversation post was held at the Bannockburn Plaza where Council and Cardno staff were available to discuss and explain the project scope, and community members could participate in an interactive feedback activity. Approximately 50 members of the community attended the conversation post.
<u>May 2019</u>	A letter was sent to stakeholders providing a copy of the Existing Conditions, Issues & Opportunities Assessment Report, Traffic Modelling Report and Recommendations. The letter also gave notice of the drop in session (as discussed below).
<u>June 19 2019</u>	Officers hosted a drop in session for stakeholders and residents to ask questions or seek further information as a result of the background documents and recommendations being made available.

Submissions were received from the Department of Transport, Regional Roads Victoria and St Quentin Consulting. In summary the submissions focused on:

- The accuracy of traffic modelling data and analysis
- How the BTS considers regional growth (NWGGA) and infrastructure upgrades (Midland and Hamilton Highways)
- Consistency with Bannockburn's proposed Strategic Cycling Corridors
- How the BTS considers the G21 Public Transport Strategy

- The absence of the use of the Movement and Place Framework
- The need for a vehicle crossing over Bruces Creek (bridge)

A copy of the submissions and the officer's response has been provided at Attachment 2.

CONFLICT OF INTEREST

In accordance with Section 80B of the Local Government Act 1989, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

The BTS addresses current and future road network and traffic management issues to support the expected residential development and commercial growth considered within the Bannockburn Urban Design Framework. Next year Council will be undertaking a strategic planning project to plan for the future growth of Bannockburn beyond the current UDF. This project will build upon the findings and recommendations of this Strategy.

7.9 LOCAL GOVERNMENT INSPECTORATE EXAMINATION – PROGRESS REPORT

File Number:**Author:** Candice Robinson, Corporate Governance Coordinator**Authoriser:** Philippa O'Sullivan, Director Corporate Services**Attachments:**

1. Council Response - Progress Report - August 2019 (under separate cover)
2. Procurement Report (under separate cover)
3. Local Government Inspectorate Golden Plains Shire Council Examination Report - February 2019 (under separate cover)

RECOMMENDATION

That Council:

1. Receive and note the Local Government Inspectorate Golden Plains Shire Council Examination – Progress Report lodged with the Local Government Inspectorate on 1 August 2019 as shown at Attachment 1.
2. Note the outstanding actions identified in the Progress Report have been added to the Outstanding Internal and External Audit Actions Report to allow progress to be reported to Council's Audit and Risk Committee.
3. Note that the Progress Report will now become publically available on Council's website in addition to the Examination Report and initial response that were previously made publically available on Council's website in May 2019.

EXECUTIVE SUMMARY

In November 2018 Golden Plains Shire Council participated in an examination by the Local Government Inspectorate (Inspectorate) to ensure Council's processes and practices, specifically, in relation to governance and procurement, met the requirements of the *Local Government Act 1989*.

The Inspectorate lodged a report on 28 February 2019 detailing the results of the examination (Attachment 3). A number of recommended actions were made by the Inspectorate to improve current process and practices. Council were supportive of all the recommendations contained within the Examination Report and a number of activities undertaken to implement the recommendations made.

Council lodged its initial response to the Inspectorate on the 2 April 2019. The Examination Report along with Council's response were received by the Audit and Risk Committee at its 14 May 2019 meeting, by Council at the 28 May 2019 Ordinary Council Meeting and also, made publically available on Council's website.

It was agreed with the Inspectorate that an update be provided by the 2 August 2019 and as such, a Progress Report (Attachment 1) and supplementary Procurement Report (Attachment 2) were lodged with the Inspectorate on the 1 August 2019.

The Progress Report and the Procurement Report were received by the Audit and Risk Committee at its 10 September 2019 meeting with the Committee acknowledging the significant amount of progress made on the recommendations and actions identified. The Progress Report and the Procurement Report are presented to Council for noting.

The Progress Report and the Procurement Report will now become publically available on Council's website in addition to the Examination Report and initial response that were previously made publically available on Council's website in May 2019.

A response from the Inspectorate was received on the 20 August 2019 advising that the Inspectorate is satisfied with the progress. The Inspectorate requested that a further update be

provided on the matters that are still in progress by 1 November 2019. That update will also be provided to the Audit and Risk Committee and Council in November 2019.

BACKGROUND

The Inspectorate is the dedicated integrity agency for local government in Victoria and has powers under the *Local Government Act 1989* to examine, investigate and prosecute any matter relating to a councils operations and any breaches.

The recent examination of the Golden Plains Shire Council commenced in November 2018. The Inspectorate undertook the examination following some concerns proactively raised by Council's Chief Executive Officer in relation to procurement practices.

The examination process included:

- a series of meetings with senior staff;
- provision and review of Council records and documents; and
- follow up decisions with senior staff.

The Inspectorate provided the Examination Report (Attachment 3) to the Chief Executive Officer on the 2 March 2019. The report is broken down into the following areas;

- Governance culture;
- Governance schedule;
- Policy framework;
- Sale of land;
- CEO/Senior Officer performance reviews;
- Corporate credit cards;
- Interest returns;
- Audit Committee;
- Special Committees;
- Councillor expenses and reimbursement;
- Government grants;
- Delegations;
- Authorised officers; and
- Procurement.

The Examination Report along with Councils initial response were received by the Audit and Risk Committee at its 14 May 2019 meeting and by Council at its 28 May 2019 Ordinary Council Meeting.

It was agreed with the Inspectorate that an update be provided by the 2 August 2019 and as such, a Progress Report (Attachment 1) and supplementary Procurement Report (Attachment 2) were lodged with the Inspectorate on the 1 August 2019.

The Progress Report and Procurement Report were received by the Audit and Risk Committee at its 10 September 2019 meeting with the Committee acknowledging the significant amount of progress made on the actions identified.

POLICY CONTEXT

The examination was conducted by the Inspectorate under powers prescribed in the *Local Government Act 1989*.

Implementation of recommended actions supports the delivery Strategic Direction 4 - Delivering good governance and leadership in the Council Plan 2017-2021.

DISCUSSION

As discussed and detailed in the Examination Report (Attachment 3), most of the areas examined came with recommendations on ways to improve current process and practices. Council were supportive of all the recommendations contained within the report and steps undertaken to implement recommended actions.

The examination has been beneficial to Council and the advice provided during various stages of the process was extremely valuable. The examination highlighted areas that can be improved and strengthened by making adjustments to current processes and practices and additionally, identified measures to lead towards best practice in the local government sector. It is noted that the report also highlighted some areas where Council are meeting expectations, such as policy review and appointment of authorised officers.

Since providing the Progress Report to the Inspectorate in August 2019, a response from the Inspectorate was received on the 20 August 2019 advising that the Inspectorate is satisfied with the progress. The Inspectorate requested that a further update be provided on the matters that are still in progress by 1 November 2019. That update will also be provided to the Audit and Risk Committee and Council in November 2019.

CONSULTATION

In an effort to ensure Council is transparent and accountable, the Examination Report and Council's initial response lodged with the Inspectorate were made publically available on Council's website in May 2019. The Progress Report and supplementary Procurement Report will now also become publically available on Council's website:

<https://www.goldenplains.vic.gov.au/residents/my-council/about-council/our-performance>.

CONFLICT OF INTEREST

In accordance with Section 80B of *the Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

Following the Local Government Inspectorate Golden Plains Shire Council Examination Report - February 2019, a number of activities have been undertaken and completed to implement recommendations made by the Inspectorate. Council provided a Progress Report to the Inspectorate on the 1 August 2019. The Inspectorate requested that a further update be provided on the matters that are still in progress by 1 November 2019. That update will also be provided to the Audit and Risk Committee and Council in November 2019.

7.10 POLICY AND PROCEDURE FRAMEWORK

File Number:**Author:** Candice Robinson, Corporate Governance Coordinator**Authoriser:** Philippa O'Sullivan, Director Corporate Services**Attachments:**

1. Policy and Procedure Framework (under separate cover)
2. Policy Template (under separate cover)
3. Procedure Template (under separate cover)

RECOMMENDATION

That Council adopt the Policy and Procedure Framework as shown at Attachment 1.

EXECUTIVE SUMMARY

A Policy and Procedure Framework (the Framework) (Attachment 1) for Golden Plains Shire Council has been developed. The Framework suggests a new approach to Council's policy and procedure methodology including a new Policy Template (Attachment 2) and Procedure Template (Attachment 3). Supplementary to the Framework, a new Policy and Procedure Register has been developed.

The objectives of the Draft Framework are to:

- govern the development, establishment, amendment and review of policies and procedures to ensure relevance, authority and consistency with internal and external requirements and legislation;
- ensure important corporate knowledge of information and systems are consistently continued and maintained by Council despite staff changes and time passing;
- define the roles, responsibilities and authorities in relation to the development, establishment, amendment and review of policies and procedures;
- assist Council's compliance and decision making processes;
- supports the management of risks.

The draft Framework and templates were endorsed by the Full Management Team (FMT) at its 7 August 2019 meeting and the Audit and Risk Committee at its 10 September 2019 meeting.

The Framework defines Council's approach and objectives and being a strategic document, Maddocks Lawyers have recommended that it be adopted by Council.

BACKGROUND

A policy is a set of principles that defines what will be done and why. It can:

- translate values into the way we operate;
- achieve compliance with our responsibilities and legal obligations;
- help achieve the Council Plan and other strategic documents; and
- help manage risk.

Policies are either Council or organisational:

- **Council Policies** relate to Council's customers and community, and include planning policies. Council Policies will influence and guide what services are provided and consequently how Council is perceived by its community.
- **Organisational Policies** relate to the internal business of Council (around matters such as corporate services or governance). Organisational Policies will have a direct effect on Council staff but will not have specific relevance to Council's customers.

Historically, Council have not had a Policy and Procedure Framework. A review undertaken by the Governance Unit identified a number of opportunities for improvement to minimise concerns, including:

- provide clarity around the purpose and difference of policies and procedures;
- define the process for development, establishment, amendment and review of policies and procedures;
- ensure there is an consistent approach and categorisation; and
- develop new templates for use based on best practice.

Maddocks Lawyers were appointed in May 2019 to provide advice and develop a Policy and Procedure Framework.

The Framework includes a new Policy Template and Procedure Template. The templates have been prepared to guide authors in preparing policies and procedure and include guidance text and instructions. Use of the new templates will be mandatory and governed by the Governance Unit.

The draft Framework and templates were endorsed by FMT at its 7 August 2019 meeting. FMT resolved to forward the Framework to the Audit and Risk Committee for endorsement, noting that the Framework provides a specific role for Audit and Risk Committee to provide commentary for consideration on policies that relate to financial/risk/governance matters, before finalisation and approval. The Audit and Risk Committee endorsed the Framework at its 10 September 2019 meeting and recommended it be forwarded to Council for consideration and adoption.

POLICY CONTEXT

The Local Government Act 1989

Golden Plains Shire Council Plan 2017-2021

Golden Plains Shire Council Statutory Obligations & Compliance Schedule

DISCUSSION

The objectives of the Framework are to:

- govern the development, establishment, amendment and review of policies and procedures to ensure relevance, authority and consistency with internal and external requirements and legislation;
- ensure important corporate knowledge of information and systems are consistently continued and maintained by Council despite staff changes and time passing;
- define the roles, responsibilities and authorities in relation to the development, establishment, amendment and review of policies and procedures; and
- assist Council’s compliance and decision making processes.

The Framework defines Council’s approach and objectives and being a strategic document, Maddocks Lawyers have advised that it should be adopted by Council.

The key changes under the Framework are summarised in Table 1 and Table 2 below:

Table 1: Changes to Document Types

Current Document Name	New Document Name	Key Points / Changes
Council Policy	Council Policy	<ul style="list-style-type: none"> • New template* • Adopted by Council
Internal Policy	Organisational Policy	<ul style="list-style-type: none"> • New template* • Adopted by SMT

Standard Operating Procedure	Organisational Procedure	<ul style="list-style-type: none"> • New template* • Adopted by SMT / Director
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*The same template will be used for a Council Policy and an Organisational Policy. The author must state Document Type: [Council [/or Organisational] Policy] within the Document Information Section.

Table 2: General Changes

Current Process	New Process	Key Points / Changes
No clear allocation of responsibilities	A number of key roles to perform certain functions: <ul style="list-style-type: none"> • Policy and Procedure Coordinator (being the Corporate Governance Coordinator) • Policy and Procedure Assistant (being a member of staff in the Governance Unit) • Policy & Procedure Owners (being the author and responsible Director) • Policy and Procedure Review Group (being SMT) • Audit and Risk Committee 	<ul style="list-style-type: none"> • Roles and responsibilities of each role clearly defined in the Framework (Attachment 1).
Policies and procedures are allocated a number – <i>based on a directorate / department numbering system</i>	No numbering system. Instead: <ul style="list-style-type: none"> • Policies and procedures categorised by document name and directorate. • Version numbers introduced for version control. 	<ul style="list-style-type: none"> • Allocation of numbers deemed unnecessary, adds no merit and creates confusion. • As part of the roll-out, numbers will be removed from all existing policies and procedures.

Supplementary to the Framework, a new internal Policy and Procedure Register has been developed. The register provides the details for policies and procedures, including the current status and review schedule.

Once adopted by Council, in order to be effective, the Framework must be followed by all staff writing policies’ and procedures.

CONSULTATION

The Framework and templates will be rolled-out across organisation following adoption.

All Council staff will be informed of the application of Framework and use of the new templates, including where to locate them.

CONFLICT OF INTEREST

In accordance with Section 80B of the Local Government Act 1989, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

A new Policy and Procedure Framework has recently been developed and suggests a new approach to Council's policy and procedure methodology. The draft Framework has been endorsed by the Full Management Team and Council's Audit and Risk Committee. Being a strategic document, the Framework is now presented to Council for consideration and adoption.

7.11 REVIEW OF INSTRUMENT OF DELEGATION - COUNCIL TO CEO**File Number:****Author:** Candice Robinson, Corporate Governance Coordinator**Authoriser:** Philippa O'Sullivan, Director Corporate Services**Attachments:** 1. Instrument of Delegation - Council to CEO (under separate cover)**RECOMMENDATION**

That Council, 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:

1. Adopt the Instrument of Delegation from Council to the Chief Executive Officer (or person holding the position, acting in or performing the duties of Chief Executive Officer), subject to the conditions and limitations specified in that Instrument, including a financial limitation of \$400,000, as shown at Attachment 1.
2. Note the increase to the CEO's financial limitation under the instrument was supported by the Audit and Risk Committee at its meeting held on the 10 September 2019.
3. Note the instrument includes a power of delegation to members of Council staff, in accordance with s 98(3) of the Act.
4. Note the duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies adopted by Council.
5. Approves the instrument to come into force immediately the common seal of Council is affixed to the instrument and at that time the previous delegations from Council to the Chief Executive Officer to be revoked.

EXECUTIVE SUMMARY

The Local Government Act 1989 (the Act) enables Council to delegate functions, duties and powers, other than exemptions under sections 86(4) and 98(1) of the Act, to the CEO, Council staff and special committees.

The Instrument of Delegation to the CEO was last reviewed and adopted by Council in March 2017. A review of that instrument has now been completed.

The review included consideration of a number of key aspects, including:

- ensuring that the activities as responsible by the CEO can be delivered as effectively and efficiently as possible;
- the CEO's current financial limitation under the delegation of \$200,000 compared to other similar councils;
- that the Council adopts its operating budget via the annual budgeting process and the instrument of delegation enables the CEO to deliver budgeted activities without obtaining re-authorisation by Council.
- a review of the number of awarded tenders, tender prices and total and average expenditure undertaken by Council over the last 3 years; and
- the actions and additional controls now in place following the Local Government Inspectorate Examination Report – February 2019 which has strengthened Council's procurement and contract management processes. This includes the revised Procurement Policy adopted at the 25 June 2019 Ordinary Council meeting. Refer to Agenda Item 7.9 – Local Government Inspectorate Examination – Progress Report.

Based on the above considerations, it is recommended that the CEO's financial limitation under the delegation be increased from \$200,000 to \$400,000. The justification is included in the body of this report.

At its meeting 10 September 2019 the Audit and Risk Committee resolved to support the proposed increase to the CEO's financial limitation under delegation and recommended that Council consider and adopt the revised the Instrument of Delegation from Council to the Chief Executive Officer at its 24 September 2019 Ordinary Council Meeting.

BACKGROUND

Council is authorised to act in only one of two ways:

1. A decision by resolution of Council, and
2. Instrument of delegation to others to act on Council's behalf.

The power of a Council to act by resolution is set out in Part 1 of the Act:

"3(3B)(5) Where a Council is empowered to do any act, matter or thing, the decision to do the act, matter or thing is to be made by a resolution of the Council."

Alternatively, a Council may act by formal delegation to others under Section 98 of the Act, including delegation of powers under other legislation:

"98(1) A Council may by instrument of delegation delegate to a member of its staff any power, duty or function of a Council under this Act or any other Act other than—

- (a) this power of delegation; and*
- (b) the power to declare a rate or charge; and*
- (c) the power to borrow money; and*
- (d) the power to approve any expenditure not contained in a budget approved by the Council; and*
- (e) any power, duty or function of the Council under section 223; and*
- (f) any prescribed power."*

Delegation by Council of powers to the CEO and members of Council staff is formalised via written instruments of delegation. Delegation of powers is considered essential to enable day-to-day decisions to be made.

There are several reasons why delegations should be reviewed regularly, including:

- identifying decision-makers to ensure accountability and responsibility for decisions;
- ensuring Council set conditions, limitations and guidelines for decision-makers, including reporting requirements;
- Council decisions are often subject to legal scrutiny in courts and tribunals. This calls for precision about what decision was made, who made it and when it was made.

Delegations must be performed and executed in accordance with any guidelines or policies of Council and staff roles and responsibilities. Staff who have delegation are provided with the necessary training and supporting materials to assist them in understanding roles and responsibilities of a delegated officer.

The dates on which a review of the various instruments of delegation was last undertaken are shown in Table 1.

Table 1: Instrument of Delegations (extract from Register of Delegations)

Instrument	Delegation	Approval Type	Review and Executed
S5	Council to CEO	Council	Mar-17
S6	Council to Staff	Council	Jul-19
C4	Council to S.86 Committees	Council	N/A
S7	CEO to Staff (sub-delegation)	CEO	May-19
S13	CEO to Staff	CEO	May-19
S14	CEO to Staff (VicSmart)	CEO	May-19
S12	MBS* to Staff	MBS*	Jul-18

*MBS – Municipal Building Surveyor

A review of the Council to CEO instrument of delegation has now been and it is recommended that the CEO’s financial limitation under the delegation be increased from \$200,000 to \$400,000.

At its meeting 10 September 2019 the Audit and Risk Committee resolved to support the proposed increase to the CEO’s financial limitation under the instrument of delegation and recommended that Council consider and adopt the revised the instrument its 24 September 2019 Ordinary Council Meeting.

POLICY CONTEXT

Section 98 of the *Local Government Act 1989* governs delegations.

The duties, functions and powers set out in the instruments of delegation must be performed and executed, in accordance with any guidelines or policies of Council.

DISCUSSION

Council subscribes to the Maddocks Lawyers delegations and authorisations service. This service not only assists Council in managing its delegations and authorisations, but also assists members of staff to understand the scope of their powers and avoid any risk of acting outside their delegated authority. This service includes provision of instruments of delegation templates based on the best practice model and twice yearly years, or otherwise as required, taking into account any legislative changes to the various acts and regulations included in the delegations.

Maddocks Lawyers recommend the all councils re-make their delegations regularly to ensure that they remain up to date and cover all relevant provisions.

Instrument of Delegation from Council to the CEO (Attachment 1)

A review of the instrument of delegation from Council to the CEO has been undertaken. The proposed changes to the instrument are detailed below:

- Increase the CEO financial limitation under the delegation from \$200,000 to \$400,000; and
- Minor cosmetic changes.

It is recommended to increase the CEOs financial limitation under the delegation for the following reasons:

- Provides the opportunity to streamline decision making on a more timely basis and as a result, delivers outcomes to the community on a timely basis;
- Provides the ability for the CEO to undertake the role more effectively and ensures that activities can be delivered as efficiently as possible;
- Reduces administrative burden; and
- The price for goods and services has increased since the last review.

The recommended increase to the CEOs financial limitation has also been considered against the following:

- Current financial limitation benchmarked against 8 other similar councils:
 - The overall average of the 8 councils is \$431,250.
 - Those councils are Colac Otway Shire Council, Corangamite Shire Council, Glenelg Shire Council, Moira Shire Council, Mount Alexander Shire Council, Moyne Shire Council, Sothorn Grampians Shire Council and Rural City of Swan Hill.
- A review and consideration of the number of awarded tenders, tender prices and total and average expenditure undertaken by Council over the last 3 years:
 - Between April 2016 and March 2017, 10 projects, total expenditure \$5,581,427.01, \$558,143 average.
 - Between April 2017 and March 2018, 7 Projects, total expenditure \$2,892,626.34, \$413,232 average.
 - Between April 2018 and March 2019, 11 Projects, total expenditure \$12,699,827.01, \$1,154,530 average (deduct 2 Projects with large expenditure as exceptional projects, 9 Projects, total expenditure \$3,090,973.02, \$343,441 underlying average).
 - Total for 3 years between April 2019 and March 2019, 28 Projects, total expenditure \$21,173,880.36, \$756,210 average (deduct 2 Projects with large expenditure as exceptional projects, 26 projects, total expenditure \$11,565,026.37, \$444,809 underlying average).
 - An increase from \$200,000 to \$400,000 considered justifiable based on the research and calculation;
- Considerations of the actions and additional controls now in place following the Local Government Inspectorate Examination Report –February 2019 which has strengthened Council's procurement and contract management processes. This includes the revised Procurement Policy adopted at the 25 June 2019 Ordinary Council meeting. Refer to Agenda Item 7.9 – Local Government Inspectorate Examination – Progress Report.

The Instrument of Delegation from Council to the CEO, includes a power of delegation to members of Council staff, in accordance with s 98(3) of the Act.

CONSULTATION

Under the Local Government (General) Regulations 2015 Council must make available for public inspection a register of delegations kept under sections 87 and 98 of the Act, including the dates on which the last reviews under sections 86(6) and 98(6) took place.

Changes to delegations are communicated internally.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

A review of Council's Instrument of Delegation to the Chief Executive Officer has been undertaken. The review included consideration of the CEO's current financial limitation under the delegation. It is recommended that Council increase the CEO's financial limitation under delegation from \$200,000 to \$400,000. The proposed increase was supported by the Audit and Risk Committee at its meeting held on the 10 September 2019. The reviewed instrument of delegation is presented for Council's consideration and adoption.

7.12 FINANCIAL ASSISTANCE GRANTS - FINAL 2019-20 ALLOCATION

File Number:**Author:** Fiona Rae, Finance Manager**Authoriser:** Philippa O'Sullivan, Director Corporate Services**Attachments:**

1. Victorian Grants Commission Letter (under separate cover)
2. Financial Assistance Grants Fact Sheet (under separate cover)

RECOMMENDATION

That Council:

1. Note the correspondence received from the Victoria Grants Commission advising of the final 2019-20 financial assistance grant allocation.
2. Endorse the additional \$40,000 grant allocated in excess of the 2019-20 budget be re-allocated to consolidated revenue to strengthen the Council's 2019/20 Financial position rather than to redirect to another project.

EXECUTIVE SUMMARY

Formal notification of the allocation of financial assistance grants is provided to Victorian councils following the determination of the revised Federal Budget estimate in July each year. \$3.82 million of general purpose grants and \$2.08 million of local roads funding grants has been allocated to Golden Plains Shire Council for the 2019-20 year. The advised final grant outcome for 2019-20 of \$5.906 million which is \$40,000 more than the 2019-20 budget of \$5.867 million. As such, it is recommended that the additional \$40,000 is re-allocated to consolidated revenue to strengthen the Council's 2019/20 financial position rather than to redirect to another project.

BACKGROUND

The role of the Victoria Grants Commission (VGC) is to determine the allocation of financial assistance grants provided by the Commonwealth Government to the 79 Victorian councils. All of the funds allocated are distributed on a formula basis. The Commission allocates funds in two streams – general purposes grants and local roads funding.

POLICY CONTEXT*Local Government Act 1989**Local Government (Planning and Reporting) Regulations 2014**Local Government (Financial Assistance) Act 1995***DISCUSSION**

The Local Government (Financial Assistance) Act 1995 makes provision for the allocation of financial assistance grants by Local Government Grants Commissions (LGGC) to their respective Councils in each State and Territory. The Act provides for a set of national distribution principals which guide each of the LGGC in the allocation of funds to councils.

An initial estimate of the funds available is provided in the Federal Budget in May each year and a revised estimate is determined in July. General and purpose grants are allocated between the States and Territories on the basis of their relative population shares, with Victoria receiving 25.8% of the Australian total. Each State and Territory receives a fixed share of the local roads grants pool, with Victorian receiving 20.6% of the available grants.

A total of \$616.3 million is allocated to Victoria for 2019-20 - \$455.5 million in general purpose grants and \$160.7 million in local roads grants. Golden Plains Shire Council has been allocated \$3.82 million of general purpose grants and \$2.08 million of local roads funding grants (total of \$5.906 million).

Golden Plains Shire Council was allocated \$5.956 million in 2018-19 compared to \$5.906 million in 2019-20, \$0.05 million lower in 2019-20. The advised final grant outcome for 2019-20 of \$5.906 million is \$0.04 million (\$40,000) higher than the 2019-20 budget of \$5.867 million.

The VGC allocated general purpose grants on a “relative needs” basis by assessing each Council’s expenditure needs and their relative capacity to raise revenue. Recurrent grant support provided by the Commonwealth or State Governments is also taken into account.

Local roads grants are allocated “on the basis of the relative needs of each council for roads expenditure and to preserve its road assets”. At June 2018 Victorian councils were responsible for 131,801 kilometres of local roads. The Commission uses a “network cost” model to assess the relative needs which takes into account the length of the road network, distribution of roads, and statewide average annual asset preservation costs.

CONSULTATION

A formal consultation process was not required.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

Golden Plains Shire Council has been advised of the annual financial assistance grant funding. A total of \$616.3 million funding is allocated to Victorian councils, with \$455.6 million in general purpose grants and \$160.7 million in local roads grants. Councils can use the grants at their discretion and are paid in quarterly instalments.

Golden Plains Shire Council have been allocated a total of \$5.906 million in 2019-20, with \$3.8 million of general purpose grants and \$2.1 million of local roads funding grants. The 2019-20 final allocation is \$0.04 million higher than budget and therefore recommended to be re-allocated to consolidated revenue to strengthen the Council’s 2019/20 Financial position rather than to redirect to another project.

7.13 QUARTERLY FINANCE REPORT

File Number:**Author:** Fiona Rae, Finance Manager**Authoriser:** Philippa O'Sullivan, Director Corporate Services**Attachments:**

1. Financial Dashboard (under separate cover)
2. Income Statement (under separate cover)
3. Balance Sheet (under separate cover)
4. Statement of Cash Flows (under separate cover)
5. Statement of Capital Works (under separate cover)
6. Grants Report (under separate cover)
7. Budget Report - 12 Months to 30 June 2019 (under separate cover)
8. Corporate Summary (under separate cover)
9. Key Strategic Area Report (under separate cover)

RECOMMENDATION

That Council note the Budget Report for the 12 months ended 30 June 2019.

EXECUTIVE SUMMARY

The purpose of this report is to:

1. Present the quarterly budget report for the Council's noting; and
2. Update Council on any current or emerging issues that may have an impact on Council's financial position or sustainability.

The Income Statement reports total operating revenue of \$44.6m and total operating expenditure of \$38.3m, which results in a year to date surplus of \$6.3m. This is \$3.0m favourable compared to the June Year to Date (YTD) adopted budget.

The Capital Works Statement indicates total capital works expenditure of \$10.5m, which is \$4.5m below the June YTD adopted budget, and \$9.3m below the forecast, with \$9.3m carried over to 2019-20.

BACKGROUND

The content of this report assists Council to gain assurance in relation to financial management of Council's operations and to meet its responsibilities under its Charter. Section 138 of the *Local Government Act 1989* requires a statement, comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date, to be presented to Council at least every three (3) months.

Council has completed the full twelve months of the 2018-19 financial year. The attached budget report has been prepared on an operating basis and includes a comparison of actual results for the period to June 2019 to the annual budget adopted by Council for the following financial statements:

- Income Statement
- Balance Sheet
- Statement of Cash Flows
- Statement of Capital Works
- Corporate Summary
- Key Strategic Area Report
- Operational and Capital Grants

POLICY CONTENT

Local Government Act 1989

Local Government Amendment (Fair Go Rates) Act 2015

Local Government (Planning and Reporting) Regulations 2014

Strategic Resource Plan

Annual Budget

DISCUSSION**Budget Report**

The Senior Management Team (SMT) has met to review the results to 30 June 2019. SMT is satisfied that the surplus maintains Council's sustainable financial position, as depicted in its Strategic Resource Plan.

The operating result for the year ending 30 June 2019 is reporting a surplus of \$6.3m compared to the original budgeted surplus of \$3.3m. This positive movement of \$3.0m is primarily due to:

- \$1.5m capital grants and contributions forecast to be received in 2018-19, that were not received in 2017-18 due to the timing of capital projects,
- \$1.6m new capital grants received in 2018-19,
- \$271k additional 2018-19 Financial Assistance Grant allocation from Victorian Grants Commission,
- \$1m savings made in employee salaries due to vacancies in roles during the year, while noting that delivery of majority of activities continued to be achieved.

Offset by:

- \$245k rolled forward expenditure from 2017-18, to complete funded operating projects/programs, and
- \$114k decrease in net revenue for Sago Hill gravel pit operations due to gravel no longer sold externally.
- \$645k increase in materials and contractors relating to short term contractors to resource current vacancies.

The 'Adjusted Underlying Result', which removes any non-recurrent grants used to fund capital expenditure, non-monetary asset contributions and other capital contributions to fund capital expenditure from the result, is a surplus of \$1.8m, compared to a budget deficit of \$23k. This formula is prescribed within the *Local Government (Planning and Reporting) Regulations 2014*.

This favourable increase of \$1.8m in the 'Adjusted Underlying Result' is primarily due new capital grants of \$1.6m received in 2018-19, and also due to the net savings made between employee salaries and increased expenditure in short term materials and contractors contracts to deliver on council's activities. The savings made in employee salaries will be re-directed to identify priority activities of Council including infrastructure maintenance and customer service.

Total expenditure in the Statement of Capital Works is \$10.5m, \$4.5m lower than the budget of \$15.0m, and \$6.9m lower than the annual forecast. \$6.9m was carried over to 2019-20 for projects not completed in 2018-19.

The capital program delivered 70% of budget in 2018-19. Capital underspend was due to various factors causing delays. Significant capital projects include:

- Golden Plains Community & Civic Centre \$5.0m
- Bannockburn Heart construction \$2.4m
- Bridge rehabilitation – Coopers Bridge \$1.6m
- Tall Tree Road upgrade \$1.4m

CONSULTATION

A formal consultation process was not required.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

The content included in this agenda and the attached documents are consistent with the adopted Budget and Strategic Resource Plan after taking to account the movements described above. Officers will continue to monitor variances over the remainder of the year, to ensure Council's operating sustainability is maintained.

7.14 IN-PRINCIPLE PERFORMANCE STATEMENT AND IN-PRINCIPLE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

File Number:

Author: Fiona Rae, Finance Manager

Authoriser: Philippa O'Sullivan, Director Corporate Services

Attachments:

1. In-Principle Financial Statements (under separate cover)
2. In-Principle Performance Statement (under separate cover)
3. Final Management Letter (under separate cover)
4. Audit Closing Report (under separate cover)

RECOMMENDATION

That Council:

1. Note the 2018/19 financial statements and performance statement that, as authorised by Council, were certified by the Mayor and Cr Evans at the 10th September Audit and Risk Committee meeting.
2. Note the findings identified by external audit as provided in attachment 3 with the 2 key findings being the unfunded liability for the landfill provision and the outstanding aged debtors.

EXECUTIVE SUMMARY

The purpose of this report is for Council to note the in principle the Performance Statement and Financial Statements as attached, and as authorised by Council, note that the Mayor (or his deputy) and Cr Evans (or his delegate), as Council representatives of the Audit and Risk Committee, certified the Performance Statement and Financial Statements in accordance with the regulations.

BACKGROUND

Section 131 of the LGA requires Council to prepare an Annual Report containing:

- Report of Operations of the Council;
- Audited Performance Statement;
- Audited Financial Statements;
- Auditor's report on the performance statement prepared under section 132;
- Auditor's report on the financial statements under Part 3 of the Audit Act 1994; and
- Any other matter required by the regulations.

Section 132 to 134 of the LGA provides the following:

- The Annual Report must be submitted to the Minister by 30 September each year;
- Council must pass a resolution giving its approval in principle to the performance statement and financial statements;
- Council must authorise two Councillors to certify the performance statement and financial statements in their final form, after any changes have been made following the audit; and
- Council must hold a publically advertised meeting to discuss the Annual Report as soon as practicable after it has been sent to the Minister.

POLICY CONTEXT

Local Government Act 1989

Local Government (Planning and Reporting) Regulations 2014

Audit Act 1994

DISCUSSION

The following timetable outlines the process to achieve the requirements of The Act:

DESCRIPTION OF TASK	DUE DATE
TASKS COMPLETED	
Council delegated approval of In Principle Statements to the Audit and Risk Committee and authorised two Councillors to sign annual statements.	Complete
Performance Statement and Financial Statements submitted to auditor	Complete
Completion of audit	Complete
Distribution of completed financial statements to Auditor-General	Complete
First review by Audit and Risk Committee with Auditor-General	Complete
Audit Committee resolution to adopt the In Principle Statements (under delegation)	Complete
TASKS YET TO COMPLETE	
Audit Opinion issued by Auditor-General	11/09/2019
Annual report posted to Minister	20/09/2019
September Council Meeting	24/09/2019
Advertise Annual Report and Council meeting to consider the report	05/10/2019
Annual Report tabled in Parliament	15/10/2019
Council meeting to consider Annual Report financial statements and auditor's report	22/10/2019

Before resolving to approve the 'in-principle' Performance Statement and Financial Statements, the Committee should consider the 'in-principle' Victorian Auditor-General's Office Closing Report for the year ended 30 June 2019 and Final Management Letter as attached.

The Closing Report provides a summary of the following:

- Scope of the audit
- Areas of audit focus
- Audit findings
- Key audit matters
- Audit conclusion
- Other matters impacting the public sector

The Committee will note that there were "no issues noted" within the areas of audit focus, as reflected within Appendix C which demonstrates that there were no audited differences identified within the financial report or performance statement.

The outstanding audit matters listed in Appendix A of the closing report are formalities that management will work through with the audit team. There were no unadjusted audit differences therefore no amendments required to the financial statements (refer Appendix B).

The Final Management Letter provides a summary of audit findings which identifies the following unresolved items:

- Reviewing outstanding Rates Debtors. A significant amount of work has been completed however a review of the debt collection policy is required; and
- Landfill Provisions – landfill restoration costs will be assessed and incorporated into the 2021-21 budget and Strategic Resource Plan.

Some improvements to policies and processes have been implemented, with some minor issues identified to be actioned in 2019-20.

CONSULTATION

A formal consultation process was not required.

CONFLICT OF INTEREST

In accordance with Section 80B of the Local Government Act 1989, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

The Audit and Risk Committee considered both the 'in-principle' Closing Report and Financial Management Letter and were satisfied that both the Financial and Performance Statements are presented fairly. As stated in the Closing Report:

***“Based on our audit, we expect to conclude that the financial report is presented fairly. We also expect to conclude that the performance statement is presented fairly.
We consequently expect to issue an unmodified audit opinion.”***

The Audit and Risk Committee have approved and certified in-principle the Financial and Performance Statements. An unmodified audit opinion will be issued for each. The Annual Report will then be formally prepared and submitted to the Minister for Local Government before 30 September 2019. Council will consider the Annual Report and Auditor's Report at its meeting on 22 October 2019.

7.15 POLICIES - ASSET DISPOSAL AND RESERVE/PROVISION FUNDING**File Number:****Author:** Fiona Rae, Finance Manager**Authoriser:** Philippa O'Sullivan, Director Corporate Services**Attachments:**

1. **Asset Disposal Policy (under separate cover)**
2. **Reserve and Provision Funding Policy (under separate cover)**

RECOMMENDATION

That Council

1. Note the two new accounting policies developed for Asset Disposal and Reserve/Provision Funding.
2. Note the Audit and Risk Committee at its 10 September Audit and Risk Committee meeting recommended that Council adopt the two policies.
3. Adopt the new Asset Disposal Policy and Reserve and Provision Funding Policy.

EXECUTIVE SUMMARY

Two new accounting policies have been developed to strengthen internal controls and create clear policies and procedures.

- Asset Disposal Policy
- Reserve and Provision Funding

BACKGROUND

Two new accounting policies have been developed to strengthen internal controls and create clear policies and procedures.

The Asset Disposal policy outlines the responsibilities and controls when disposing of Council assets, with responsibility and approved disposal methods detailed.

Funding of reserves and provisions has a direct impact on cash balances which must be included in the annual budget process. Approvals and processes required are outlined for transfers to and from reserves and funding of provisions to be expended.

POLICY CONTEXT

Local Government Act 1989

Local Government (Planning and Reporting) Regulations 2014

Strategic Resource Plan

Annual Budget

DISCUSSION

The absence of policies can create confusion and inconsistency in the application of accounting standards and internal processes. Gaps were identified in accounting policy resulting in two new policies developed – asset disposal policy, and reserve and provision funding policy.

Asset Disposal Policy

Golden Plains Shire Council (GPSC) manages a large number of assets and did not have a disposal policy. The Asset Disposal Policy outlines the responsibilities and controls relating to the identification and disposal of Council assets. Authorisation and notification is required and must be in accordance with the functional level of disposal authority with final approval by the Finance

Manager. Approved disposal methods are also detailed, together with processes required for the transfer of assets and reporting of thefts and losses.

Reserve and Provision Funding Policy

Managing reserves and provisions requires clear policy and processes. Transfer from reserves and provisions require funding with potential impacts on cash balances. A new accounting policy has been developed to provide clarity on Council policy in relation to reserves and the funding of provisions. The purpose of the Reserve and Provision Funding policy is to:

- Ensure that GPSC has established reserve funds that account for income that has been received from specific sources for a future application,
- Establish requirements around the creation of reserves, transfer to and subsequent expenditure of funds from these reserves, and
- Establish a mechanism for the funding of provisions (*provisions defined as a liability recognised on the balance sheet for future obligations*).

GPSC maintain statutory and discretionary reserves that acknowledge the receipt of funds for particular sources to be applied to programs that are consistent with the purposes of the reserve fund.

For the purposes of efficient financial management, in lieu of borrowings, reserve funds may be used to assist funding specific projects and are not designed to assist in general operations of Council. This policy outlines approval processes applicable and the requirement to include any reserve of provision funding in the annual budget process.

CONSULTATION

A formal consultation process was not required.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

These two new accounting policies developed provide Council policy in respect to asset disposals and the funding of transfers from reserves and provisions.

7.16 AUDIT & RISK COMMITTEE REPORT - 10 SEPTEMBER 2019**File Number:****Author:** Philippa O'Sullivan, Director Corporate Services**Authoriser:** Philippa O'Sullivan, Director Corporate Services**Attachments:** 1. **Audit and Risk Committee Minutes 10.09.19 (under separate cover)****RECOMMENDATION**

That Council receive the Audit & Risk Committee report from the meeting of 10 September 2019.

EXECUTIVE SUMMARY

This report is being submitted to Council to provide a summary of business considered at the 10 September 2019 meeting of the Audit & Risk Committee.

BACKGROUND

The Audit & Risk Committee (the Committee) is an independent advisory committee to Council. The primary objective of the Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development

POLICY CONTEXT

To remain compliant with Section 139 of Local Government Act 1989, the Audit and Risk Committee has been established to assist Council in fulfilling its responsibilities relating to risk management, financial management and control and reporting.

DISCUSSION

Attendees at the Committee meeting were as follows:

Councillors:

Cr Owen Sharkey
Cr David Evans

Independent Members:

Andrew Pearce, Chair
Joe Adamski
Phil Delahunty

Officers:

Eric Braslis, Chief Executive Officer
Philippa O'Sullivan, Director Corporate Services
Lisa Letic, Director Community Services
Fiona Rae, Finance Manager
Claire Tehan, People & Culture Manager
Candice Robinson, Corporate Governance Coordinator
Vanessa Polkinghorne, Acting Team Leader Safety & Risk
David Greaves, Works Manager
Emily Chapman, Corporate Services Administration Officer

Guests:

Gabrielle Castree, Crowe Horwath
Thivya Mahendran, Crowe Horwath
Chris Kol, McLaren Hunt

Declaration of Conflict of Interest: Nil

The Committee considered the following matters at the meeting:

- Election of Chair
- Audit Committee Action Items
- Publications of Interest
- Outstanding Internal and External Audit Actions
- Update on Inspectorate Report
- Statutory Obligations and Compliance Schedule
- Annual Schedule for 2019/20 – Audit and Risk Committee
- Policy and Procedure Framework
- Draft Gifts, Benefits and Hospitality Policy
- Policies – Asset Disposal and Reserve/Provision Funding
- Major Projects – Progress Update
- Quarterly Risk Report
- Progress Update – Business Continuity Plan
- JLT Public Sector – Risk Report
- Proposed Strategic Risks
- Internal Audit – Outcomes from Risk Management Review
- Internal Audit 3 Year Strategic Internal Audit Plan
- Internal Audits held during the Quarter – Tree Management Update
- Quarterly Finance Report
- In-Principle Performance Statement and In-Principle Financial Statements for the year ended 30 June 2019
- VAGO Performance Audit – Supporting Communities through Development and Infrastructure Contributions
- VAGO Local Government Fraud and Corruption Report
- Procurement Policy Review
- Review of Instrument of Delegation – Council to CEO
- Self-Assessment – Audit and Risk Committee

CONSULTATION

Nil

CONFLICT OF INTEREST

In accordance with Section 80B of the Local Government Act 1989, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

The next meeting of the Committee is scheduled for Tuesday, 12th November 2019.

7.17 PROCUREMENT POLICY REVIEW

File Number:**Author:** Philippa O'Sullivan, Director Corporate Services**Authoriser:** Philippa O'Sullivan, Director Corporate Services**Attachments:**

1. Procurement Policy as adopted at 25 June 2019 (under separate cover)
2. Benchmarked Councils - Procurement Thresholds (under separate cover)
3. Amended Procurement Policy (Proposed) (under separate cover)

RECOMMENDATION

That Council:

1. Note the amendments to clauses 5, 6, 23 and 26.3(b) of the revised Procurement Policy as shown at Attachment 3.
 2. Adopt the revised Procurement Policy under section 186A(7) of the *Local Government Act 1989* (Vic).
 3. Resolve that clauses 22 and 23 in the revised Procurement Policy be amended to align with the Chief Executive Officer's financial delegation in the '*Instrument of Delegation to the Chief Executive Officer*' before the Chief Executive Officer signs the adopted Procurement Policy.
-

EXECUTIVE SUMMARY

Council is committed to ensuring continuous improvement and that strong compliance processes are in place for its procurement activities in order to achieve value for money and generate benefits for Council and its community.

The *Local Government Act 1989* (Vic) requires that Council prepare and approve a procurement policy and review the procurement policy at least once in each financial year and amend it as necessary.

On 25 June 2019 Council resolved to adopt a revised Procurement Policy in compliance with section 186A(7) of the *Local Government Act 1989* (Vic) as provided in attachment 1.

The former Procurement Policy of May 2018 has had a major review to encompass:

- the legislative requirements that Council must comply with in undertaking its procurement activities;
- the recommendations from the Local Government Inspectorate's Report dated 28 February 2019 about Council's procurement procedures, processes and practices; and
- feedback from Council employees as a result of the consultation process during the review.

The revised Procurement Policy ('Policy') as provided in Attachment One provides numerous proactive and positive provisions in order to be compliant, strong governance and continuous improvement in place.

However, before adoption of the revised Policy, Council made 2 changes to it, namely clauses 5 and 6 which deal with the procurement threshold application, and clause 23.3 which is about 'contract variations'. During the implementation and application of the requirements of the Policy it has been identified that these 2 changes are creating administrative burden by re-directing staff time and productivity to focus on low risk activities, delays and confusion for Council employees to deliver activities efficiently. Accordingly, this Report recommends Council's re-consideration of clauses 5, 6 and 23.3 and, if accepted, amendment of them as provided in attachment 2.

The current and proposed amended procurement policy was also presented to the Audit and Risk Committee at their 10 September 2019 meeting whereby they supported the amendments and recommended the revised policy be adopted by Council at the September 2019 Council meeting.

BACKGROUND

The revised Policy was adopted by Council on 25 June 2019, and is the result of a major and extensive review and has been amended in accordance with the requirements of the *Local Government Act 1989* (Vic) ('the Act') and the Victorian Local Government Best Practice Procurement Guidelines 2013 ('Guidelines').

Part A - Key Points from the adopted Policy are as follow:

Procurement Methodology

A methodology for procurement at certain threshold levels has been clearly identified, and clear and easy to use guidance is provided. This includes the processes for a request for quotation, public tender and expressions of interest.

Ministerial Approved Arrangements and Agency Arrangement

Under section 186(5)(c) of the Act a contract can be entered into in accordance with the Ministerial approved arrangements without calling for public tender.

Sustainable Procurement Considerations

Council commits to promote and encourage environmental, economic and social sustainability in its procurement activities and decision making. The recent developments in waste management, especially in recyclable goods, products and materials, made Council take positive action in order to encourage proactive approaches with suppliers about this issue. The Policy also promotes:

- job opportunities and social inclusion for our community;
- fostering relationships with the local business;
- gender equality and a safe and fair workplace;
- creative or innovative approaches delivering goods, services or works, including the use of recycled or recyclable materials.

Subject to the nature of the procurement, Council may apply up to a 10% price preference to those suppliers who demonstrate the above in their submissions.

Furthermore, the Policy provides the following important changes:

- Certain exemptions from the request for tender and request for quotation process.
- Process and authority for execution of contracts.
- Probity requirements that Council must comply with.
- Process for internal controls, performance management and reporting on opportunities to improve the procedures and practices.
- Process for providing training and skill development across Council on procurement and governance processes and practices.
- The Policy has adopted a logical and easy to follow structure as well as clear, simple and consistent language.

Part B - The Policy delivers the following outcome:

- Increase compliance with the Act and the Policy requirements and apply the Guidelines principles;

- Provide confidence to the community and current and potential suppliers about the application of open and fair competition, and a transparent and accountable procurement process;
- Support Council employees in their day-to-day work;
- Support and foster continuous improvement in order to achieve value for money and generate benefits for Council and for our community;
- Promote and encourage more environmentally, socially and economically sustainable procurement activities;
- Raise standards by working towards best practice principles.

Part C – The impact of clauses 5, 6 and 23.3 on Council during the implementation and application of the Policy:

After Council resolution of 25 June 2019, Management put an action plan in place in order to:

- implement the Council's decision;
- apply the requirements of the adopted Policy; and
- provide training and workshops for Council employees in the implementation and application of the Policy, and answer any questions, queries or concerns they might have.

During the application of the Policy it was identified that the changes to clauses 5, 6 and 23.3 are:

- impacting the day-to-day work of Council employees who are undertaking procurement activities;
- causing confusion and misunderstanding in the application process;
- slowing the work of Council employees which affects the productivity and efficiency of the work and delivery of Council's activities.

What do the changes to clauses 5 and 6 mean?

Clauses 5 and 6 specify the procurement thresholds and methodology for the application of those thresholds. The changes to the thresholds made by Council are:

1. from \$0-\$5,500, request at least one (1) verbal quotation process was reduced to \$0-\$2,500; and
2. from \$5,501-\$33,000, request at least two (2) written quotations, was reduced to \$2,501-\$33,000.

The Report recommends increasing the procurement threshold as follows:

1. from \$0-\$2,500, request at least one (1) verbal or written quotation, to \$0-\$5,500 request at least one verbal quotation;
2. from \$2,501-\$33,000, request at least two (2) written quotations, to \$5,501-\$33,000 request at least two (2) written quotations;

Reasons for recommendation to amend:

- Council procures various services, goods or works which cost less than \$5,500 and it is not best use of Council's employees' time and effort to request 2 written quotations from suppliers.
- The changes increase the risk of not being able to attract quality suppliers because of the size of the project budget. Before this change Council employees approached a

supplier directly for the goods or services or works. The current threshold requires Council employees to request at least 2 written quotations from the suppliers, and due to the size of budget, and with a perception that they might not get the project, there is a risk that some of the suppliers will not respond to the request as it will not be considered to be worth their time and effort. The likely consequences for Council would be loss of a quality supplier, loss of time, and a delay in the implementation of the work, and not generate a good perception of Council.

- It might also prevent Council from using the local suppliers where there is only one supplier locally.
- Benchmarking of similar size Councils also justifies increasing the threshold to its original level. See *Attachment 2*.
- The increase of the threshold will support Council employees in their day to day work and will not prevent them, where practicable, from requesting more than one quotation for service or goods or works where considered desirable because the wording of the Policy states “request at least 1 written or verbal quotation”.

What does the change in clause 23.3 mean?

Clause 23.3 of the Procurement Policy states:

“Information about contract variations equal to or greater than 7.5% and less than 15% will be provided to Council for its information.”

This Report recommends that Council removes it from the Policy as:

- the wording of sub-clause creates confusion about the process of gathering, capturing and reporting this information to Council;
- the frequency of reporting is unclear;
- it will require a designated officer to allocate considerable amount of time to gather the information and prepare a report to Council.
- the positive feedback from the Local Government Inspector on 20 August 2019 in response to Council’s submission to the Local Government Inspectorate’s recommendations of 28 February 2019 has demonstrated that Council is achieving a positive outcome in the delivery of its objectives in procurement and contract management.

Furthermore, from the good governance point of view this Report recommends:

Council notes *Clause 16 Performance Management and Reporting* in the Policy, and in compliance with this clause 16, Council will receive a report from the Chief Executive Officer about:

- positive and proactive actions put in place to ensure compliance and continuous improvement in the provision of the procurement and contract management activities of Council;
- provide Council confidence that internal controls are in place to adequately monitor the conformance and performance of Council’s procurement and contract management framework; and
- the Contract Register with full detail about the contracts which are approved by way of Council resolution, and by the Chief Executive Officer under his delegation.

Amendment to clause 26 – Contract Management

Requirement under the *Labour Hire Licensing Act 2018* (Vic)

Under the *Labour Hire Licensing Act 2018* (Vic), labour hire providers must hold and maintain a labour hire licence as of **30 October 2019** in order to be able to operate in Victoria. This requirement under the *Labour Hire Licensing Act 2018* (Vic) imposes obligation on Councils as host employers or users of labour hire services whereby they must only use the labour hire providers who will hold and maintain this licence. Any labour hire provider that operates without a licence and any business or organisation that uses unlicensed labour hire provider will be exposed to significant sanctions.

In addition to the suggested change to the Policy, Council officers will amend Council's relevant procurement documents to ensure compliance with the *Labour Hire Licensing Act 2018* (Vic).

The Report advises that clause 26 has been amended to include the following sub-clause:

26.3 Council will minimise its risk exposure by measures such as:

- b) requiring a contractor to provide evidence of a labour hire licence under the *Labour Hire Licensing Act 2018* (Vic).

Instrument of Delegation - Council to Chief Executive Officer

It is also noted that Council resolve that clauses 22 and 23 in the revised procurement policy be amended to align with the chief executive officer's financial delegation in the '*instrument of delegation to the chief executive officer*' before the Chief Executive Officer signs the adopted procurement policy.

CONTEXT

The Policy has been adopted in line with section 186A(7) of the *Local Government Act 1989* (Vic) to review the Procurement Policy at least once in each financial year and where necessary amend it.

CONSULTATION

The Policy has been reviewed and drafted by a procurement and contract management specialist currently contracted with Golden Plains Shire Council. Communication and consultation via email and face to face meetings were conducted with Council employees in order to identify and substantiate the need for improvements.

Communication and consultation were also important in order to receive Council employees' comments, ideas and thoughts in order to make positive and compliant changes to Council's procurement procedure, processes and practices.

CONFLICT OF INTEREST

In accordance with Section 80B of the *Local Government Act 1989*, the Officer preparing this report declares no conflict of interest in regards to this matter.

CONCLUSION

This Report provides an opportunity to amend the current Procurement policy to enable activities to be delivered more efficiently by the Council while still ensuring that potential risks are managed through strong controls and processes which have been enhanced following the outcomes and action from the Local Government Inspectorate Audit.

8 NOTICES OF MOTION

Nil

9 PETITIONS

Nil

10 CONFIDENTIAL REPORTS FOR DECISION**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 89(2) of the Local Government Act 1989:

10.1 Chief Executive Officer Performance Review

This matter is considered to be confidential under Section 89(2) - d of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contractual matters.

10.2 Bannockburn Children's Service Best Value Review

This matter is considered to be confidential under Section 89(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with industrial matters.
