

Strathbogie Shire Council

Council Meeting Agenda

Tuesday 20 February 2024

Agenda

Council Meeting

Tuesday 20 February 2024, at 6pm

Meeting to be held at the Euroa Community Conference Centre and livestreamed on Council's website:

<https://www.strathbogie.vic.gov.au/council/our-council/council-meetings-and-minutes/>

Interim Administrator:

Peter Stephenson

Officers:

Julie Salomon – Chief Executive Officer

Amanda Tingay – Acting Director People and Governance

John Harvey – Director Sustainable Infrastructure

Rachael Frampton – Acting Director Community and Planning

David Roff – Acting Chief Financial Officer

Meeting Procedure

1. Welcome

2. Acknowledgement of Country

We acknowledge the Traditional Custodians of the places we live, work and play. We recognise and respect the enduring relationship they have with their lands and waters, and we pay respects to the Elders past, present and emerging. Today we are meeting on the lands of the Taungurung peoples of the Eastern Kulin nation, whose sovereignty here has never been ceded.

3. Privacy Notice

This public meeting is being streamed live via our website ([Council Meetings and Minutes | Strathbogie Shire](#)) and made available for public access on our website along with the official Minutes/Decisions of this meeting. All care is taken to maintain your privacy; however, as a visitor in the public gallery, it is assumed that your consent is given in the event that your image is broadcast to the public. It is also assumed that your consent is given to the use and disclosure of any information that you share at the meeting (including personal or sensitive information) to any person who accesses those recordings or Minutes/Decisions.

4. Governance Principles

Council considers that the recommendations contained in this Agenda gives effect to the overarching governance principles stated in Section 9(2) of the Local Government Act 2020. These principles are as follows:

- 1. Council decisions are to be made and actions taken in accordance with the relevant law;*
- 2. priority is to be given to achieving the best outcomes for the municipal community, including future generations;*
- 3. the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;*
- 4. the municipal community is to be engaged in strategic planning and strategic decision making;*
- 5. innovation and continuous improvement is to be pursued;*
- 6. collaboration with other Councils and Governments and statutory bodies is to be sought;*
- 7. the ongoing financial viability of the Council is to be ensured;*
- 8. regional, state and national plans and policies are to be taken into account in strategic planning and decision making;*
- 9. the transparency of Council decisions, actions and information is to be ensured.*

5. Apologies / Leave of Absence

6. Disclosure of Conflicts of Interest

7. Confirmation of Minutes/Decisions of Previous Meetings

RECOMMENDATION

1. ***That the Minutes/Decisions of the Council Meeting held on Tuesday 13 December 2023, be confirmed*** (Council Meetings and Minutes | Strathbogie Shire)
2. ***That the Minutes/Decisions of the Extraordinary Council Meeting held on Tuesday 23 January 2024, be confirmed*** (Council Meetings and Minutes | Strathbogie Shire)
3. ***That the Minutes/Decisions of the Extraordinary Council Meeting held on Tuesday 6 February 2024, be confirmed*** (Council Meetings and Minutes | Strathbogie Shire)

8. Petitions

A petition has been received by Council from David Andrews of Nagambie in relation to 'Drainage (lack thereof) in Park Street, Nagambie'.

The petition contains 15 signatories.

The petition reads:-

We, the undersigned, petition the Mayor and Councillors of the Strathbogie Shire Council to:

Properly maintain the drainage system in Park Street, Nagambie, to allow surface water to flow away.

We appreciate that the Council is not responsible for weather events. We believe the Council has a responsibility to maintain a reliable drainage system, that allows water to 'get away' into the main drainage system, and not flood properties and lay-around for days.

BACKGROUND: It appears that there is no drainage system or plan for drainage, in Park Street, Nagambie. As such the kerbing, nature strips, yards, roadways, are subject to flooding every time there is a reasonable rain event. As I understand it (and I have spoken to the farmer concerned), there was a 'handshake' agreement between the Council engineer and the farmer at the east end of Park Street, to allow water to naturally flow east down Park Street, into one of his dams. From there, when the water was at a certain level, the water would flow across to another dam. What would then occur, was when that dam was full, or a resident in Park Street, notified the local council depot, that water was backing up in the street, the depot would send out some staff with a pump, to take water from the second dam, and send that water back some 800 metres west to the main streets drainage system. When the CFA established themselves, at the front corner of the farmers property, they cut the pipe off at the rear of their property, as their on-site pumps could not handle the excess water, (told to me by [REDACTED] (details redacted for privacy reasons). As such, no replacement plan or system has been in place for two or three years now.

8. Petitions (cont.)

When the October 2022 flood were upon us, all the yards of the Park Street houses were under water. Only the actions of the residents, via sandbagging and SES engagement with a large pump, stopped two of the houses from inundation of water. May we say that it is NOT acceptable, especially in this day and age, to have such an unsatisfactory situation, and the previous 'Mickey-Mouse' arrangement, beggars belief.

We request a review of the Park Street drainage situation, with an implemented and effective solution.

RECOMMENDATION

1. ***That Council accept the petition in relation to the drainage in Park Street, Nagambie, submitted by David Andrews.***
2. ***That the petition be referred to the Director Sustainable Infrastructure for consideration in the development of the Municipal Stormwater Strategy.***

9. Reports/s of Interim Administrator

10. Public Question Time

11. Officer Reports

- 11.1 Strategic and Statutory
- 11.2 Community
- 11.3 Infrastructure
- 11.4 Corporate
- 11.5 Governance and Customer Service
- 11.6 Executive

12. Notices of Motion

13. Notices of Rescission

14. Urgent Business

15. Confidential Business

Julie Salomon
Chief Executive Officer

16 February 2024

Next meeting

The next monthly meeting of the Strathbogie Shire Council is scheduled to be held on Tuesday 19 March 2024, at the Euroa Community Conference Centre, at 6pm.

Public question time

Questions for the Ordinary Council Meeting can be submitted to be read, and responded to, by the Chair, or a member of Council staff nominated by the Chair, during the Public Question Time. Questions must be submitted before 12 noon on Monday 19 February 2024, by emailing info@strathbogie.vic.gov.au.

Public Question Time will be conducted as per Rule 35 of Strathbogie Shire Council's Governance Rules. The required [form](#) for completion and lodgement, and associated [Procedural Guidelines](#), can be found on Council's website at www.strathbogie.vic.gov.au.

As the questions are a permanent public record and to meet the requirements of the Privacy and Data Protection Act 2014, only the initials of the person asking the question will be used in the Minutes of the meeting, together with a Council reference number.

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	APPENDICES DEEMED CONFIDENTIAL IN ACCORDANCE WITH SECTION 66(2)(A) AND PART 1, CLAUSE 3 OF THE LOCAL GOVERNMENT ACT 2020 (g) <i>private commercial information, being information provided by a business, commercial or financial undertaking that—</i> (ii) <i>if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage</i>	
	Appendix 1: Tender Evaluation for Contract 23/24-35: Euroa Civic Centre Toilets Upgrade	

11. OFFICER REPORTS

11.1 STRATEGIC AND STATUTORY PLANNING

11.1.1 Planning Applications Received and Planning Applications Determined 1 December 2023 to 31 January 2024

Author: Manager Planning and Investment

Responsible Director: Acting Director Community and Planning

EXECUTIVE SUMMARY

This report provides listings of all Planning Applications Received (Attachment 1) and Planning Applications Determined (Attachment 2) for the period of 1 December 2023 to 31 January 2024. The latest available Planning Permit Activity Performance (PPARS) figures are also attached (Attachment 3).

It should be noted that the latest PPARS figures are for the month of December 2023. The January 2024 PPARS figures were not available at the time of writing this report as the monthly figures are not updated until 15th of each month. The contents of this report are provided for information purposes only.

It is noted that there were seventeen (17) new planning applications received and twenty-four (24) planning applications decided upon during the reporting period.

Attachment 4 to this report provides an update on current Victorian Civil and Administrative Tribunal (VCAT) appeals where no decision has been made.

RECOMMENDATION

That Council:

- 1. Note that there were seventeen (17) new planning applications received, and twenty-four (24) planning applications decided on during the period of period of 1 December 2023 to 31 January 2024.***
- 2. Note the report.***

PURPOSE AND BACKGROUND

To report to Council on the current planning application activity and matters considered under delegation.

ISSUES, OPTIONS AND DISCUSSION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Priority is to be given to achieving the best outcomes for the municipal community, including future generations.

Council is a Responsible Authority under the *Planning and Environment Act 1987* (the Act). In this role, Council administers the Strathbogie Planning Scheme (Planning Scheme) and, among other things, determines planning permit applications made for the use and development of the land in the municipality. Under delegated authority of Council, Council officers determine some matters.

11.1.1 Planning Applications Received and Planning Applications Determined 1 December 2023 to 31 January 2024 (cont.)

Many types of use and development do not require a planning permit and may take place without being recorded as part of the planning approvals data. The statistics presented do not represent all development activity in the municipality. In addition, some planning permits are not acted on, or there may be a delay between when the approval is granted and when works take place.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

Individual applications consider these requirements through assessment phase of each application as per the Planning and Environment Act 1987 and the provisions of the Strathbogie Planning Scheme.

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

This report continues to demonstrate that Council is being transparent in its position in relation to all applications received and determined by the Council.

CONCLUSION

This report is provided for Council to note the current planning permit application activity.

ATTACHMENTS

Attachment 1: Planning Applications Received

Attachment 2: Planning Applications Determined

Attachment 3: Planning Permit Activity Performance Figures

Attachment 4: Current VCAT Appeals

11.3 INFRASTRUCTURE

11.3.1 Tender for Contract No. 23/24-32: Bulk Diesel Supply

Author: Procurement and Tenders Officer, Manager Operations

Responsible Director: Sustainable Infrastructure

EXECUTIVE SUMMARY

Council has undertaken a competitive tender process to ensure that Council's Bulk Diesel Fuel procurement represents overall Best Value and meets compliance requirements of the *Local Government Act 2020* and Strathbogie Shire's Procurement Policy (last update November 2023).

Through public advertisement in local and national newspapers, Council invited tenders for Bulk Diesel Supply with the initial tender opening on 9am Friday 27 October 2023. At close of the initial tender on Thursday 23 November 2023, one (1) tender submission was received.

After initial independent assessment and evaluation, the final result of Council Officer's evaluations is summarised in the tables within this report. It should be noted that each delivery is of a volume that is only a portion of the fuel capable of being carted by the one tanker. Council requires between 400 litres and 1200 litres per delivery, where the tanker would hold a minimum of approximately 10,000 litres.

Subsequently, the delivery of fuel to these requirements is not attractive to many distributors. Distributors comment that it is uneconomical to deliver such low volumes of fuel without several other customers in the vicinity that can take deliveries of the balance of the tanker (i.e. economies of scale). Without other customers to take the balance of the load, the delivery tanker travels significant distance's part full, thus increasing the delivery costs and reducing margins on its sale.

This report seeks Council's authorisation to award this Contract and authorise the Chief Executive Officer to execute the Contract accordingly.

RECOMMENDATION

That Council:

- 1. Awards Contract No. 23/24-32 - Bulk Diesel Supply to McCombe Transport from Euroa on a schedule of rates Contract;***
- 2. Authorises the Chief Executive Officer to execute the Contract by signing and affixing with the Common Seal of Strathbogie Shire Council; and***
- 3. Notes that the Contract will commence in February 2024 and conclude in January 2029.***

PURPOSE AND BACKGROUND

This report seeks Council approval to award Contract Number 23/24-32 - Bulk Diesel Supply and to award the contract to the tenderer as detailed in this report.

11.3.1 Tender for Contract No. 23/24-32: Bulk Diesel Supply (cont.)

TENDER PROCESS

Tenders were invited by advertising on “Tendersearch” via the Council website on the 27 October 2023. Council also advertised in Saturday’s The Age newspaper (providing state-wide reach), Shepparton News, Euroa Gazette, Benalla Ensign, Violet Town Village Voice, in the week following release. By the close of tenders at 4.00pm on 23 November 2023, one tender submission had been received.

The tender submission was assessed for compliance including the contractual terms and conditions and the requirements of the response schedules and was deemed conforming.

Table 1: Tender Submissions

Tender Submission received at the close of Tender Period
McCombe Transport Pty Ltd (Euroa)

It is important to note that to allow for fair pricing comparisons between tenderers, and as fuel prices are subject to local and international market fluctuations, monthly pricing from November 2022 to October 2023 was requested.

Table 2: Average diesel pricing November 2022 to October 2023 (including GST)

Annual average diesel price per litre (2022/2023) as provided at Close of Tender Period (including GST)
\$2.03 per litre

Assessment Process

The Strathbogie Shire Staff members reviewing the submission were made up of the following:

1. Manager Operations
2. Operations Co-ordinator
3. Team Leader Administration - Operations
4. Procurement and Tenders Officer (process facilitator, non-voting member).

The principle that underlies the awarding of all Council contracts is that a contract is awarded on the basis of providing the overall Best Value, offering the most benefit to the community and the greatest advantage to Council.

The tenders were assessed and evaluated against the following criteria and weightings:

- Tendered Price (40%)
This criterion measures the price only – either lump sum or unit rates – submitted by the tenderer. In accordance with Council’s Procurement Guidelines, a price weighting of 40% is applied, unless a Council exemption is sought.

11.3.1 Tender for Contract No. 23/24-32: Bulk Diesel Supply (cont.)

Officers placed a 40% weighting on tender price due to:

- a) Additional percentage weightings allocated to attract regional suppliers for this service. Officers considered it important to deliver this 5 year Contract as sustainably as possible, and this could be assisted by making more weighting available to any regionally closer suppliers due to the lower than industry standard (ie tanker size) requirements of this tender, and
- b) Pricing tendered was an average of past year only and not necessarily reflective of current pricing, as fuel prices are highly variable in nature and driven by global supply markets.

All submissions were given a weighted score for their submitted price based on a comparative assessment of pricing for all tenders. The comparative assessment awards the highest evaluation score (40%) to the lowest priced tender submission. The subsequent tender submissions received reduced evaluation scores based on the percentage difference between them and the lowest priced tender.

- Business & Management Requirements - OHS, Insurance, Quality, Risk, Management, HR, QMS/ISO (10%)
Quality Management Systems, Policies, Relevant Certifications, and Insurance, a weighting of 10 % was allocated to this criterium.
- Capability, Experience, Personnel CVs, Methodology, Timeline (10%)
As the Work requires timely completion and elimination/mitigation of work-related risks, this criterium is considered important therefore allocated a weighting of 10%.
- Tender conformance, Offer of Alternative Tender, Request for Contract Changes/Exclusions (Pass/Fail) 0%
Due to the importance for the tender to meet the specification, a weighting of pass/fail (0)% was allocated to this criterium.
- Local Content and Regional Benefit (30%)
In accordance with Procurement Guidelines and being consistent with value for money principles, where different products are of comparable price, quality and equivalent value can be sourced either locally or regionally; preference will be given to local suppliers. A weighting of 30% was allocated to this tender.
- Sustainability/Environment (10%)
Strathbogie Shire Council has declared a Climate Emergency and is committed to purchasing practicing that support the principals of sustainable procurement within the context of purchasing within a value for money basis. In accordance with the currently Procurement Policy a 10% weighting was allocated.

11.3.1 Tender for Contract No. 23/24-32: Bulk Diesel Supply (cont.)

TABLE 3: Evaluation Criteria

Criteria	Weighting (%)
Price	40%
Business & Management Requirements	10%
Capability, Methodology and Experience	30%
Regional Benefit	10%
Conformance to Contract and Specification	Pass/Fail (0%)
Sustainability/Environment	10%

The officers tasked with reviewing the submission agreed that the single tenderer was suitable to be awarded the Contract.

The Evaluation Panel were satisfied that the sole tenderer McCombe Transport Pty Ltd from Euroa submitted a tender which demonstrated themselves to be an experienced, capable and reliable supplier given the smaller quantities (compared against industry standards) required to support Council operations.

It should be noted that each delivery is of a volume that is only a portion of the fuel capable of being carted by the one tanker. Council requires between 400 litres and 1200 litres per delivery, where the tanker would hold a minimum of approximately 10,000 litres.

Subsequently, the delivery of fuel to these requirements is not attractive to many distributors. Distributors comment that it is uneconomical to deliver such low volumes of fuel without several other customers in the vicinity that can take deliveries of the balance of the tanker (i.e. economies of scale). Without other customers to take the balance of the load, the delivery tanker travels significant distance's part full, thus increasing the delivery costs and reducing margins on its sale.

COMMUNITY ENGAGEMENT

Community consultation is not required for this Tender evaluation as this is an operational requirement.

POLICY CONSIDERATIONS

Council Plans and Policies

The author of this report considers that the report is consistent with Council Policies, key strategic documents and the Council Plan.

Regional, State and National Plans and Policies

The author of this report considers that this tender and recommendation complies with all regional, state and National Plans and Policies.

11.3.1 Tender for Contract No. 23/24-32: Bulk Diesel Supply (cont.)

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The recommendation has no legal or statutory implications which require the consideration of Council. Procurement was undertaken in accordance with the Strathbogie Shire Procurement Policy.

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

It is considered that all steps have been taken in line with Council's Procurement Policy which ensures transparency in the process.

Decisions made by Council will be: -

- undertaken in accordance with the Act and the Governance Rules.
- will be conducted in an open and transparent forum with information available via Council reports.

Council meetings will be open to the community or can be viewed on the livestream (and available as a recording) unless closed for reasons permitted by s.66(2) of the Act.

SUSTAINABILITY CONSIDERATIONS

This tender process complied with the sustainability and environmental requirements under the Strathbogie Shire Procurement Policy.

Economic

The Contract awarded under delegation provides an opportunity to generate economic benefit by utilising locally sourced fuel and related products providing local jobs and opportunities within the Shire as well as supporting a long-standing local business.

Social

Utilising a Local Business for the awarding of this contract enhances the social fabric of the Shire with benefits of local knowledge and helping to maintain the supply of essential products and services within the community.

Environmental

This tender process complied with the sustainability and environmental requirements under the Strathbogie Shire Procurement Policy.

11.3.1 Tender for Contract No. 23/24-32: Bulk Diesel Supply (cont.)

HUMAN RIGHTS CONSIDERATIONS

The recommendation does not limit any human rights under the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

CONCLUSION

Following the procurement process, this report seeks endorsement to appoint McCombe Transport Pty Ltd from Euroa for Contract No. 23/24-32 - Bulk Diesel Supply. The Procurement Policy was followed when completing the formal Request for Tender process.

ATTACHMENTS

Nil

11.3.2 Tender for Contract No. 23/24-35: Euroa Civic Centre Toilets Upgrade

Author: Procurement and Tenders Officer, Acting Manager Projects

Responsible Director: Director of Sustainable Infrastructure

EXECUTIVE SUMMARY

Council has undertaken a competitive tender process to ensure that Council's Euroa Civic Centre Toilets Upgrade procurement represents the overall Best Value and meets compliance requirements of the *Local Government Act 2020* and Strathbogie Shire Council's Procurement Policy (last update November 2023).

Through public advertisement in local and national newspapers, Council invited tenders for the Euroa Civic Centre Toilets Upgrade with the initial tender opening at 9am Friday 10 November 2023. At the close of the tender at 4pm Wednesday 6 December 2023, two (2) tender submissions were received.

After initial independent assessment and evaluation, the result of the officer evaluations is summarised in the tables within this report.

The contract was awarded to the successful tenderer on the 14 December 2023 under the CEO's delegation (refer Item No 11.3.3). However, the tender amount of \$153,984.00 exclusive of GST (\$169,382.40 inclusive of GST) was \$5,920.00, exclusive of GST, over the approved 2023/24 capital budget of \$148,064.00, exclusive of GST.

This report seeks Council to formally note the awarding of this contract and note that the extra funds required for this contract can be accommodated within the approved 2023/24 budget allocations.

It is important to note that contracts exceeding the Council budget allocation are not able to be awarded under delegation and must be approved through a formal Council meeting. This procedural oversight has been identified and swift action has been taken to ensure that this cannot occur again into the future. Steps have included the immediate amendment of Council's contract evaluation process and amendments to the current delegation's policy.

RECOMMENDATION

That Council:

- 1. Formally note the award of the tender for Contract No. 23/24-35 Euroa Civic Centre Toilets Upgrade - Lump Sum to Projects and Maintenance Squared Pty Ltd of Mickleham, Victoria, for a total amount of \$153,984.00, exclusive of GST (\$169,382.40 inclusive of GST);***
- 2. Authorise Council Officers to use surplus funds from the approved budget for Buildings, Ledger 3033337.760030 Contractors - Others to cover the 2023/24 adopted budget shortfall of \$5,920.00, exclusive of GST, for this project; and***

11.3.2 Tender for Contract No. 23/24-35: Euroa Civic Centre Toilets Upgrade (cont.)

RECOMMENDATION (cont.)

3. ***Note the error made in approving this award under delegation and the amendments to the current process to prevent this governance issue from occurring again.***

PURPOSE AND BACKGROUND

This report seeks Council endorsement for the recommendations from the Tender Evaluation Panel for Contract Number CN 23/24-35 - Request for Tender - Euroa Civic Centre Toilets Upgrade and to award the contract to the tenderer as detailed in this report.

Tenders were invited by advertising on “Tendersearch” via the Council website on 10 November 2023. Council also advertised in Saturday’s The Age newspaper (providing state-wide reach), Shepparton News, Euroa Gazette, Benalla Ensign, Violet Town Village Voice, in the week following release. By the close of tenders at 4.00pm on 6 December 2023, two tender submissions had been received.

The two tender submissions were assessed for compliance including the contractual terms and conditions and the requirements of the response schedules and one tenderer was determined to be non-conforming. The non-conforming tender was then set aside and not assessed further. The single conforming tender only was assessed for award suitability from this stage.

This report seeks Council to formally note the awarding of this contract and note that the additional funds required for this contract will be allocated from the savings from the approved Budget for the Strathbogie Shire Council Office Redevelopment.

It is important to note that contracts exceeding the Council budget allocation are not able to be awarded under delegation and must be approved through a formal Council meeting. This procedural oversight has been identified and swift action will be taken to ensure that this cannot occur again into the future. Steps will include the immediate amendment of contract evaluation process to include detailed budget information (cost of tendered works or services against budget allocation) and amendments to the current delegation’s policy.

TENDER PROCESS

Tenders were invited by advertising on “Tendersearch” via the Council website on 10 November 2023. Council also advertised in Saturday’s The Age newspaper (providing state-wide reach), Shepparton News, Euroa Gazette, Benalla Ensign, and Violet Town Village Voice, in the week following release. By the close of tenders at 4.00 pm on 6 December 2023, two tender submissions had been received.

The two tender submissions were assessed for compliance including the contractual terms and conditions and the requirements of the response schedules and one tenderer was determined to be non-conforming. The non-conforming tender was then set aside and not assessed any further. The single conforming tender only was assessed for award suitability from this stage.

11.3.2 Tender for Contract No. 23/24-35: Euroa Civic Centre Toilets Upgrade (cont.)

Assessment Process

The following Strathbogie Shire Council Officers reviewed the submission:

1. Manager Project Delivery
2. Project Officer
3. Project Team Delivery Office Administrator
4. Procurement and Tenders Officer (process facilitator, non-voting member).

The principle that underlies the awarding of all Council contracts is that a contract is awarded based on providing the overall Best Value, offering the most benefit to the community and the greatest advantage to Council.

The tenders were assessed and evaluated against the following criteria and weightings:

- Tendered Price (50%)

This criterion measures the price only – either lump sum or unit rates – submitted by the tenderer. In accordance with Council's Procurement Guidelines, a price weighting of 50% is applied, unless a Council exemption is sought.

Officers placed a 50% weighting on the tender price due to pricing being considered equally important as quantitative criteria to ensure a quality outcomes/deliverable for the overall project.

All submissions were given a weighted score for their submitted price based on a comparative assessment of pricing for all tenders. The comparative assessment awards the highest evaluation score (50%) to the lowest-priced tender submission. The subsequent tender submissions received reduced evaluation scores based on the percentage difference between them and the lowest-priced tender.

- Business and Management Requirements - OHS, Insurance, Quality, Risk, Management, HR, QMS/ISO (10%)

Quality management systems, policies, relevant certifications and insurance, a weighting of 10 % was allocated to this criterium.

- Capacity, Subcontractors, equipment, and Current Commitments (10%)

Tenderer to demonstrate they have the capacity and equipment (or access to) to deliver the project, and a 10% weighting is allocated to this criterium.

- Capability, Experience, Personnel CVs, Methodology, Timeline (20%)

As the work requires timely completion and elimination/mitigation of work-related risks, this criterium is considered important therefore allocated a weighting of 20%.

- Tender Conformance, Offer of Alternative Tender, Request for Contract Changes/Exclusions (Pass/Fail) 0%

Due to the importance for the tender to meet the specification, a weighting of pass/fail (0)% was allocated to this criterium.

11.3.2 Tender for Contract No. 23/24-35: Euroa Civic Centre Toilets Upgrade (cont.)

- Local Content (10%)
In accordance with Procurement Guidelines and being consistent with value for money principles, where different products are of comparable price, quality and equivalent value can be sourced either locally or regionally; preference will be given to local suppliers. A weighting of 10% was allocated to this tender.

TABLE 1: Evaluation Criteria

Criteria	Weighting (%)
Price	50%
Business and Management Requirements	10%
Capacity, Sub-contractors, Equipment and Current Commitments	10%
Capability, Methodology and Experience	20%
Regional Benefit	10%
Conformance to Contract and Specification	Pass/Fail (0%)

The Evaluation Panel was satisfied that the sole conforming tenderer, Project and Maintenance Squared Pty Ltd from Mickleham, Victoria submitted a tender that demonstrated themselves to be an experienced and capable supplier with the capacity to deliver the project within the requested timeframe and recommended this tenderer for contract award.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

The matter under consideration does not require community consultation process currently, however staff will have the opportunity to provide input into the process.

POLICY CONSIDERATIONS

Council Plans and Policies

The author of this report considers that the report is consistent with Council Policies, key strategic documents, and the Council Plan.

This report is consistent with the Strathbogie Shire Council Procurement Policy.

The Council Plan 2021-2025 is relevant with the following:

- Strategic Focus Area 2: Live. Access. Connect
Key Initiative 2.1 Ensure that upgrades of Council facilities, as identified in the capital works program, are compliant with the Disability and Discrimination Act 1992 to improve access for people of all abilities.

11.3.2 Tender for Contract No. 23/24-35: Euroa Civic Centre Toilets Upgrade (cont.)

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state and national plans and policies are to be taken into account in strategic planning and decision-making.

There are no regional, state, and national plans or policies relevant to the report.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The recommendation has no legal or statutory implications which require the consideration of Council.

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

Council Officers have prepared this report to ensure transparency is adhered to and to inform Council of the decision to award Contract 23/24-35 whilst over the capital approved budget was unintentional and once the mistake was identified, Council Officers have taken immediate action to ensure this doesn't occur again and inform Council of the error and actions of approval processes and policy.

Decisions made by Council will be: -

- undertaken in accordance with the Act and the Governance Rules.
- will be conducted in an open and transparent forum with information available via Council reports.

Council meetings will be open to the community or can be viewed on the livestream (and available as a recording) unless closed for reasons permitted by s.66(2) of the Act.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

Council allocated \$148,064.00, exclusive of GST, for the Civic Centre Toilet Upgrade in the 2023-2024 Capital Works Program.

The recommended tender price of \$153,984.00 (excluding GST) implies a shortfall of \$5,920.00 (excluding GST).

11.3.2 Tender for Contract No. 23/24-35: Euroa Civic Centre Toilets Upgrade (cont.)

Officers are proposing to offset the shortfall through the surplus funds from the Buildings Budget Ledger Contractors - Others, which is currently under the 2023/24 approved budget allocation.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic and Social

The project will provide the community with a multi-functional and an adaptable space that will encourage social interaction and promote health and wellbeing.

Environmental

The awarded Contractor shall develop a site-specific Environmental Management Plan and implement it during the construction period in line with project specification and legislation governing Environmental Protection. Council officers will monitor the proper implementation of Environment Management Plan throughout the project cycle.

Climate change

As highlighted above, the preferred tenderer is cognisant of opportunities that promote environmental good.

INNOVATION AND CONTINUOUS IMPROVEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is the pursuit of innovation and continuous improvement.

Council have identified a gap in our processes and have inserted an additional section in Council's contract evaluation process as a check to ensure that contracts under delegation are not over capital approved budget.

Council Officers will also amend the delegations policy to ensure that there are approval processes in place that ensure this oversight cannot occur again.

HUMAN RIGHTS CONSIDERATIONS

The recommendation does not limit any human rights under the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

CONCLUSION

Following the procurement process, this report seeks Council to formally note that Contract No. 23/24-35 - Euroa Civic Centre Toilets Upgrade Projects has been awarded (initially in error) under delegation to Maintenance Squared Pty Ltd from Mickleham Victoria.

This procedural oversight, identified where this tender was awarded under delegation but over the adopted Council budget allocation, has now been addressed. Swift action has been taken, including to Council's contract evaluation process and current delegations policy.

11.3.2 Tender for Contract No. 23/24-35: Euroa Civic Centre Toilets Upgrade (cont.)

ATTACHMENTS

Nil.

APPENDICES

Appendix 1: Tender Evaluation for Contract No. 23/24-35: Euroa Civic Centre Toilets Upgrade (CONFIDENTIAL)

11.3.3 Contract Variation - Contract No. 23/24-01: Roads Pavement Rehabilitation Program 2023/24

Author: Director Sustainable Infrastructure

Responsible Director: Chief Executive Officer

EXECUTIVE SUMMARY

At the 21 November 2023 Council meeting, Council awarded Contract No. 23/24-01 Roads Pavement Rehabilitation Program 2023/24 to Bild Infrastructure at a cost of \$649,174.57, inclusive of GST. This contract forms part of the 2023/24 adopted Capital Works program to carry out pavement rehabilitation of selected sections of the municipal roads.

Prior to the commencement of the works, the condition of the network was assessed and repairs to alternate sections of road were given higher priority than those listed in the original tender schedule for this contract. The roads were prioritised due to the accelerated deterioration of the pavement in these areas, resulting in an increased risk to the travelling public, compared to the locations in the original scope.

Subsequently, on the basis the works represented value for money, the Director Sustainable Infrastructure, within his delegation, approved the Variation Request Quotation (VQR)–01 to the contract by removing and replacing sections of road to reflect the current priorities.

However, during the performance of the works, active springs have been encountered at a location included in the contract sections of the failed pavement. Additional work involving removing the unstable pavement materials and subgrade, providing drainage points for the natural springs and reconstructing the pavements in these areas, was required to provide the required ultimate life for the treatments. Therefore, on the basis the variation represented value for money, variation VQR-02 was approved under the delegation by the Director Sustainable Infrastructure.

At a further site in the contract, springs under the existing pavement were also found requiring the spring activity to be provided a drainage path out from under the road pavement and the removal and reconstruction of the existing pavement materials. The additional works required that form VQR-3 have been assessed as representing value for money and are recommended for approval.

This report is presented to Council to note the additional funds required for these works to be offset from the Sealed Roads Rehabilitation Operations Budget, which currently has sufficient unspent budget to cover this expenditure.

RECOMMENDATION***That Council:***

1. ***Note that Variation Quotation Requests VQR-01 and VQR-02 have been approved within the delegation provided to the Director Sustainable Infrastructure, varying the contract by a combined 9.68% at a cost of \$62,867.49;***

11.3.3 Contract Variation - Contract No. 23/24-01: Roads Pavement Rehabilitation Program 2023/24 (cont.)

RECOMMENDATION (cont.)

2. ***Approve Variation Quotation Request VQR-03 which varies the increase in the total project costs by \$15,523.20 (incl. GST) for a combined variation of 12.9% of the original contract value and authorise the Chief Executive Officer to sign the appropriate Variation Quotation Request form;***
3. ***Authorise the Chief Executive Officer to approve up to a further \$30,000 of Variation Quotation Requests should further road and drainage conditions be encountered, thereby preventing further project delays, and that any further variations be reported to Council via the Contacts Awarded Under Delegation monthly report; and***
4. ***Note that the project variations can be accommodated within existing budget allocations sourced from the Sealed Roads Rehabilitation Operations Budget, which currently has sufficient unspent budget to cover this expenditure.***

PURPOSE AND BACKGROUND

As a part of the Strathbogie Shire Council Capital Works Program for Financial Year 2023-24, selected municipal roads requiring rehabilitation have been placed under Council's annual Pavement Rehabilitation Program.

During the execution of the treatments, active springs were encountered in the subgrade of the failed pavements which required treatment as variations to the Contract. The number of sites where this has been encountered has resulted in the cost of the treatments being greater than 10% of the original contract which subsequently requires Council approval.

ISSUES, OPTIONS AND DISCUSSION

At the 21 November 2023 Council meeting, Council awarded Contract No. 23/24-01 Roads Pavement Rehabilitation Program 2023/24 to Bild Infrastructure at a cost of \$649,174.57, inclusive GST. This contract forms part of the 2023-24 adopted Capital Works program to carry out pavement rehabilitation of selected sections of the municipal roads. The Pavement Rehabilitation Program also includes sealing, installation of raised pavement markers, line marking, and installation of guideposts as required.

This maintenance program ensures Council roads retain their quality and their lifespans are extended, thus providing long-term cost savings to Council by ensuring that ongoing maintenance is reduced. Under the adopted 2023/24 program, it was planned to carry out pavement rehabilitation works on thirteen (13) segments on four (4) Council roads which were prioritised based on the road conditions assessment carried out as follows:

- Creek Junction Road (3 segments),
- Spring Creek Road (4 segments),
- Euroa-Strathbogie Road (5 segments), and
- Alexandersons Road (1 segment)

11.3.3 Contract Variation - Contract No. 23/24-01: Roads Pavement Rehabilitation Program 2023/24 (cont.)

Prior to the commencement of the works, the condition of the network was assessed and repairs to alternate sections of road were given higher priority than those listed in the original tender schedule for this contract. The roads were prioritised due to the accelerated deterioration of the pavement in these areas, resulting in an increased risk to the traveling public, compared to the locations in the original scope.

- Alexandersons Road was removed from the scope of this Contract.
- the 5 segments on the Euroa-Strathbogie Road were combined to increase the treatment at one location.
- Junction Creek Road had an additional 100m² treated.
- Spring Creek Road had an additional 302 m² treated.

Subsequently, on the basis the works represented value for money, the Director Sustainable Infrastructure, within his delegation, approved the Variation Request Quotation (VQR)–01 to the contract by removing and replacing sections of road to reflect the current priorities.

However, during the performance of the works, active springs have been encountered at a location included in the contract sections of the failed pavement. Additional work involving removing the unstable pavement materials and subgrade, providing drainage points for the natural springs and reconstructing the pavements in these areas, was required to provide the required ultimate life for the treatments. Therefore, on the basis the variation represented value for money, variation VQR-02 was approved under the delegation by the Director Sustainable Infrastructure.

At a further site in the contract, springs under the existing pavement were also found requiring the spring activity to be provided a drainage path out from under the road pavement and the removal and reconstruction of the existing pavement materials. The additional works required that form VQR-3 have been assessed as representing value for money and are recommended for approval.

This report is presented to Council to note the additional funds required for these works to be offset from the Sealed Roads Rehabilitation Operations Budget, which currently has sufficient unspent budget to cover this expenditure.

If the variation VQR-003 is not approved, the scope of works within the contract will need to be reduced to fund the variation for the alternative treatment. This is due to the discovery of the active spring and the subsequent weak pavement did not occur until the works on this pavement area had commenced. Consequently, these works are required to enable Creek Junction Road to be fully reopened to traffic.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision-making.

The project work is listed under the Capital Works Budget in 2023/24. Once the Contract is awarded, the immediate community will be notified about the works via local newspapers and Council social media channels prior to the commencement of construction works.

11.3.3 Contract Variation - Contract No. 23/24-01: Roads Pavement Rehabilitation Program 2023/24 (cont.)

The residents along relevant roads will also receive a letter explaining the works and the disruption to access to their properties whilst the work is completed.

POLICY CONSIDERATIONS

Council Plans and Policies

The author of this report considers that the report is consistent with Council Policies, key strategic documents and the Council Plan.

This report is consistent with the Strathbogie Shire Council Procurement Policy.

The *Council Plan* is relevant with the following:

Strategic focus area 2: Live.Access.Connect

- Strategy - Our asset management framework balances increasing community expectations with delivering value for money and maximum community benefit within our limited resources.
 - Action - Review resources and service standards to align with Asset Plan

Asset Management Policy

- Asset renewal – is the upgrading or replacement of an existing Asset, or a component, that restores the service capability of the Asset to its original functional condition and performance.

Asset Management Strategy

- Ensure the Shire's infrastructure enhances efficiency for people and freight movement, service delivery and community amenities.

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state and national plans and policies are to be taken into account in strategic planning and decision-making.

There are no regional, state, and national plans or policies relevant to the report.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The recommendation has no legal or statutory implications which require the consideration of Council.

Conflict of Interest Declaration

The panel signed 'Conflict of Interest' statements prior to the evaluation panel viewing the submitted tenders. Originally, Council's Procurement and Tender Officer fulfilled the nominated role as moderator (non-voting member) however, a conflict was declared, and this position was subsequently filled by the Chief Finance Officer.

11.3.3 Contract Variation - Contract No. 23/24-01: Roads Pavement Rehabilitation Program 2023/24 (cont.)

All other officers involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report or were removed from the process if a conflict was declared.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

All steps have been taken in line with Council's Procurement Policy which ensures transparency in the process. Decisions made by Council will be: -

- undertaken in accordance with the Act and the Governance Rules.
- will be conducted in an open and transparent forum with information available via Council reports.

Council meetings will be open to the community or can be viewed on the livestream (and available as a recording) unless closed for reasons permitted by s.66(2) of the Act.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

The approved Capital Budget for the combined Reseal and Rehabilitation Programs for the 2023-24 financial year amounts to \$2,149,000.00. Council officers are committed to prudently managing these funds to ensure the successful execution of both the reseal and rehabilitation programs within this budget. This will be achieved by prioritising those road segments with the most pressing needs, as determined by the outcomes of the condition audit.

Council has previously awarded the Reseal Program at \$1,425,000.00 leaving the remaining balance of \$724,000.00 to be directed towards the Rehabilitation Program. The contract of \$649,174.57 was within this budget allocation. All additional funds required to fund the execution of these works will be obtained from the Sealed Roads Rehabilitation Operations Budget.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic and Social

The project will improve safety, provide environmental and economic outcomes and increase social participation.

11.3.3 Contract Variation - Contract No. 23/24-01: Roads Pavement Rehabilitation Program 2023/24 (cont.)

Environmental

The awarded Contractor shall develop a site-specific Environmental Management Plan and implement it during the construction period in line with project specifications and legislation governing Environmental Protection. Council officers will monitor the proper implementation of the Environment Management Plan throughout the project cycle.

HUMAN RIGHTS CONSIDERATIONS

The recommendation does not limit any human rights under the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

CONCLUSION

Council invited tenders for Contract No. 23/24-01 Roads Pavement Rehabilitation Program 23/24. At the 21 November 2023 Council meeting, Council awarded the Construction of Roads Pavement Rehabilitation Program 2023/24 to Bild Infrastructure Pty Ltd.

Due to reprioritising of the road sections to be rehabilitated, variations to the original contract sum of \$649,174.57 (including GST) are being sought to complete this program of works.

ATTACHMENTS

Nil.

11.3.4 Tender for Contract No. 23/24-25 Construction of Truck Wash – Kerb and Channel and Associated Works at Boundary Road North, Euroa

Author: Director of Sustainable Infrastructure

Responsible Officer: Chief Executive Officer

EXECUTIVE SUMMARY

The Euroa Saleyards are located at the corner of Boundary Road and Birkett Street, Euroa, with sales currently held monthly. The Saleyards, owned by Council, are operated in partnership with a Committee of Management. To further supplement the trade offer and as a bio-security measure, the Saleyards Committee (the Committee) proposed that the old truck wash be replaced with a twin bay truck wash.

A business case was prepared by the Committee that demonstrated a twin B-Double truck wash valued at \$500,000 was viable and the income derived from the truck wash would service loan repayments. Subsequently this amount of money was borrowed, and the funds received in June 2023 and detailed in the 2023/24 budget to complete the delivery of the project. Due to the foreshadowed project challenges, Council allocated a further \$83,613.00 (excluding GST) from general revenue to the project amount.

Council has undertaken three (3) competitive tender processes for the Construction of the Truck Wash – Kerb & Channel and Associated Works at the Sales Yards, Boundary Road North, Euroa, revising the design each time in an attempt to receive tendered pricing that fell within the approved Council Budget for the works.

Despite the multiple revisions of the design for the truck wash and negotiations with potential preferred tenders, all have resulted in bids significantly greater than the allocated budget for the project.

As such, officers recommend that Council abandon the tender, remove the project from the Capital Works Program and repay the loan funds for the construction of the Truck Wash in full utilising the funds borrowed for this purpose.

RECOMMENDATION***That Council:***

- 1. Formally abandon the tender for contract No 23/24-25 Construction of Truck Wash – Kerb & Channel and Associated Works at Boundary Road North, Euroa - Lump Sum due to three (3) unsuccessful tender processes where quotes for works were in excess of the allocated project budget;***
- 2. Authorise officers to advise unsuccessful tenderers accordingly;***
- 3. Authorise officers to remove this project from the 2023/24 Capital Works Program, and***
- 4. Authorise the Chief Executive Officer to repay the \$500,000 loan for the construction of the Truck Wash in full.***

11.3.4 Tender for Contract No. 23/24-25 Construction of Truck Wash – Kerb and Channel and Associated Works at Boundary Road North, Euroa (cont.)

PURPOSE AND BACKGROUND

The Euroa Saleyards are located at the corner of Boundary Road and Birkett Street, Euroa, with sales currently held monthly. The Saleyards, owned by Council, are operated in partnership with a Committee of Management. To further supplement the trade offer and as a bio-security measure, the Saleyards Committee (the Committee) proposed that the old truck wash be replaced with a twin bay truck wash.

A business case was prepared by the Committee that demonstrated a twin B-Double truck wash valued at \$500,000 was viable and the income derived from the truck wash would service loan repayments. Subsequently this amount of money was borrowed, and the funds received in June 2023 and detailed in the 2023/24 budget to complete the delivery of the project. Due to the foreshadowed project challenges, council allocated a further \$83,613.00 (excluding GST) from general revenue to the project amount.

Following three (3) unsuccessful competitive tender processes, this report recommends that Council formally abandon Contract 23/24-25 Construction of Truck Wash – Kerb & Channel and Associated Works at Boundary Road North, Euroa, repay the loan borrowings associated with this project and advise the unsuccessful tenders accordingly.

ISSUES, OPTIONS AND DISCUSSION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that priority is to be given to achieving the best outcomes for the municipal community, including future generations.

The Saleyards at Boundary Road North and Birkett Street, Euroa, currently consist of an open shed, office building and sets of stock pens with access to the site via an unsealed gravel driveway on Boundary Road North, and track leading to an existing truck wash area, which is located to the south of the Saleyards open shed.

The Saleyards, owned by Council, are operated in partnership with a Committee of Management. To further supplement the trade offer and as a bio-security measure, the Saleyards Committee (the Committee) proposed that the old truck wash be replaced with a twin bay truck wash. A business case was prepared by the Committee that demonstrated a twin B-Double truck wash valued at \$500,000 was viable and the income derived from the truck wash would service the loan repayments. Subsequently this amount of money was borrowed to complete the delivery of the project.

This project would have facilitated the formation of a new twin bay truck wash with a new driveway access from and to Boundary Road North through the installation of kerb and channel, concrete works, drainage infrastructure, sealed surfacing, and other associated works.

11.3.4 Tender for Contract No. 23/24-25 Construction of Truck Wash – Kerb and Channel and Associated Works at Boundary Road North, Euroa (cont.)

To the west of the Saleyards along the Euroa - Shepparton Road consists of several services, which include stormwater infrastructure such as grated pits and pipework, overhead electricity lines, Telstra infrastructure, water main and surface drainage. To the north along Boundary Road North consists of only surface drainage and overhead electricity lines, which crosses the intersection of Boundary Road North and Euroa - Shepparton Road and travels further north away from the Saleyards.

This report seeks Council approval to abandon Contract No 23/24-25 Construction of Truck Wash – Kerb & Channel and Associated Works at Boundary Road North, Euroa, on the basis of the lack of budget to cover the project and repay the monies borrowed to for that purpose.

TENDER PROCESS

Council has undertaken three (3) competitive tender processes for Contract 23/24-25 Construction of the Truck Wash – Kerb & Channel and Associated Works at the Saleyards, Boundary Road North, Euroa, revising the design each time in an attempt to receive tendered pricing that fell within the approved Council Budget for the works.

Council initially went out to public tender on 13 November 2020. The tender was advertised in Saturday's The Age newspaper (state-wide reach), Euroa Gazette, the week following release. By the close of tenders at 4.00 p.m. on 9 December 2020, two (2) tenders were received however, both tenders were over budget and the scope was reviewed.

Council re-designed the Truck Wash and went out a second time to public tender for Contract No. 22/23-09 Construction of Euroa Truck Wash on 12 August 2022. By the close of tenders at 4.00 p.m. on 7 September 2022, one (1) tender was received however, this tender was also over budget and the scope was reviewed again.

A third public tender was undertaken with a clearer and reduced design scope on 1 of September 2023. By the close of tenders at 4.00 p.m. on 27 September 2023, no tenders were received.

After receiving no responses to the public tender, Council proceeded with a private tender which was released via email on 3 October 2023 to all previous tenderers and local suitably qualified suppliers. By the close of tenders at 4:00 p.m. on 24 October 2023, one (1) tender was received. At the completion of the officer tender evaluation process, whilst Council Officers were confident that the tenderer was well experienced to complete the works to Council's satisfaction, the tender price was again over budget and further funding would need to be allocated to complete the project.

Options:

Despite the multiple revisions of the design for the truck wash and negotiations with potential preferred tenders, all have resulted in bids significantly greater than the allocated budget for the project.

11.3.4 Tender for Contract No. 23/24-25 Construction of Truck Wash – Kerb and Channel and Associated Works at Boundary Road North, Euroa (cont.)

Officers propose that there are three options for Council consideration as follows.

Each of the options has limitations and implications for Council which are presented and detailed below.

Option 1:

Abandon the tender and remove this project for the Capital Works Program until such time the business case is viable.

Officer Recommendation:

This option is recommended due to the process not delivering an outcome that delivered the project within the approved budget and in accordance with the Business Case financial modelling.

Option 2:

Proceed with the project and award the contract to the tenderer for the third procurement process at a cost of \$775,828.45 inclusive of GST.

Officer Recommendation:

This option is not recommended because as it requires transferring Budget from other capital programs in the mid-Year Budget review. This would place at risk those programs delivery or require them to be abandoned altogether, and without the transfer the Council does not have the funds to proceed with the project.

The increased capital cost of the project is not supported by the Business Case for the establishment of the truck wash and the additional funds required will not be repaid by the facility from the income it generates over the term of the loan.

Option 3:

Reduce the scope to a one bay truck wash and tender with a reduced project scope.

Officer Recommendation:

This option was investigated with the civil contractor, and it did not provide sufficient savings from the original tendered price to result in the facility being able to be delivered within the Business Case capital expenditure budget.

Further, the reduction in the income received will not service the loan and therefore the business case for the facility does is not considered viable.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision-making.

The surrounding community is aware of the project work as the work is listed under the Capital Works Budget in 23/24.

11.3.4 Tender for Contract No. 23/24-25 Construction of Truck Wash – Kerb and Channel and Associated Works at Boundary Road North, Euroa (cont.)

The Saleyards Committee has been consulted through the process and is aware that the third tender process was over the allocated budget and, as such, unsuccessful.

POLICY CONSIDERATIONS

Council Plans and Policies

The author of this report considers that the report is consistent with Council Policies, key strategic documents and the Council Plan.

This report is consistent with the Strathbogie Shire Council Procurement Policy.

The *Council Plan* is relevant with the following:

Strategic focus area 2: Live.Access.Connect

- Strategy - Our asset management framework balances increasing community expectations with delivering value for money and maximum community benefit within our limited resources.
 - Action - Review resources and service standards to align with Asset Plan

Asset Management Policy

- Asset renewal – is the upgrading or replacement of an existing Asset, or a component, that restores the service capability of the Asset to its original functional condition and performance.

Asset Management Strategy

- Ensure the Shire's infrastructure enhances efficiency for people and freight movement, service delivery and community amenities.

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state and national plans and policies are to be taken into account in strategic planning and decision-making.

There are no regional, state, and national plans or policies relevant to the report.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The recommendation has no legal or statutory implications which require the consideration of Council.

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

11.3.4 Tender for Contract No. 23/24-25 Construction of Truck Wash – Kerb and Channel and Associated Works at Boundary Road North, Euroa (cont.)

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

All steps have been taken in line with Council's Procurement Policy which ensures transparency in the process. Decisions made by Council will be: -

- undertaken in accordance with the Act and the Governance Rules.
- will be conducted in an open and transparent forum with information available via Council reports.

Council meetings will be open to the community or can be viewed on the livestream (and available as a recording) unless closed for reasons permitted by s.66(2) of the Act.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

Council allocated \$641,974.30 (incl. GST) for 'Saleyards Relocate Truck Wash' in the 2023-2024 Capital Works Program based on the business case prepared demonstrating that a \$500,000 facility would repay the funds borrowed.

The third tender price was approximately \$135,000 (incl. GST) over this increased budget. Subsequently, officers believe that this project is not financially viable in accordance with the business case based on the price received for its construction.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic and Social

The project will improve safety, provide environmental and economic outcomes and increase social participation, based on the business case assessment, but is not viable at the tendered amount.

Environmental

Council officers will monitor the proper use of the existing facility and the continued impact of trucks leaving the sales yards in an unwashed condition.

HUMAN RIGHTS CONSIDERATIONS

The recommendation does not limit any human rights under the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

CONCLUSION

Council have invited tenders for Contract No 23/24-25 Construction of Truck Wash – Kerb & Channel and Associated Works at Boundary Road North, Euroa on three (3) occasions.

11.3.4 Tender for Contract No. 23/24-25 Construction of Truck Wash – Kerb and Channel and Associated Works at Boundary Road North, Euroa (cont.)

Despite the multiple revisions of the design for the truck wash and negotiations with potential preferred tenders, all have resulted in bids significantly greater than the allocated budget for the project.

Officers recommend that Council abandon the tender, remove the project from the Capital Works Program and repay the loan funds for the construction of the Truck Wash in full.

ATTACHMENTS

Nil.

11.3.5 Longwood Ruffy Road Culvert Emergency Repairs - Procurement Variation Approval

Author: Director Sustainable Infrastructure

Responsible Officer: Chief Executive Officer

EXECUTIVE SUMMARY

During routine inspections of the road network in August 2023, it was discovered that a major culvert on the Logwood Ruffy Road had failed and initiated a land slip on the downstream end of the culvert. The extent of the slip required the road to be closed to one-lane traffic under traffic signal control with a significant risk of the balance of the road slipping down the embankment which would require the entire road to be closed.

It was determined that this urgent repair treatment required the existing pipes to be removed and replaced and the installation to be constructed in accordance with the Infrastructure Design Manual (IDM) standard for mass concrete end walls and the road reconstructed to reinstate the slip and open the road.

The 2023/24 approved capital budget has a \$300,000 (excluding GST) provision for drainage improvements that had not been allocated to specific projects, therefore these funds were available to immediately rectify the slip failure and replace the culvert.

An exemption to the procurement guidelines to engage Sevens Creek Excavations to perform the culvert replacement for a cost of \$69,909.40 (incl GST) under the emergency classification was used to repair and reduce the inconvenience to the community and significantly reduce the likelihood of having to close the road altogether.

During the execution of the works, significant volumes of wet unsuitable materials were discovered under the existing culvert. The additional works required for the culvert repair extended the planned road closure from two (2) days to five (5) and significantly extended the scope of work required to complete the repairs.

In December 2023, the contractor, as requested, submitted their price for the entire value of the work done to complete the culvert installation, valued at \$102,304.41 (incl GST).

The price increase has been reviewed and the additional works required to be performed is as agreed at the time of its execution and considered to represent value for money. This variation to the initial approved project cost represents an increase of 46% and is above the approved variation threshold of 10% requiring Council endorsement.

If an interim treatment was not performed prior to Council's approval of the variation, the works would have cost considerably more than the final cost and was considered that it would have resulted in the road being closed for possibly 4 months.

11.3.5 Longwood Ruffy Road Culvert Emergency Repairs - Procurement Variation Approval (cont.)

RECOMMENDATION

That Council:

- 1. Note the additional reinstatement works and variation of \$32,395.01 (incl. GST), required to complete the emergency culvert installation works on the Longwood Ruffy Road, initially awarded at \$69,909.40 (incl. GST) to rectify the slip failure and mitigate the risk of the balance of the road slipping down the embankment;***
- 2. Note that whilst this increase in costs is outside of officer delegation, waiting to gain prior approval of the variation through to normal Council meeting timelines would have resulted in increased costs, a delay to the works and a lengthened road closure period;***
- 3. Note that the emergency repair construction methodology was performed to a standard to provide the maximum life possible; and***
- 4. Note that the costs can be accommodated within the 2023/24 approved capital budget allocated for drainage improvements.***

PURPOSE AND BACKGROUND

During routine inspections of the road network in August 2023, it was discovered that a major culvert on the Logwood Ruffy Road had failed and initiated a land slip on the downstream end of the culvert. The extent of the slip required the road to be closed to one lane traffic under traffic signal control with a significant risk of the balance of the road slipping down the embankment which would require the entire road to be closed.

An exemption to the procurement guidelines to engage Sevens Creek Excavations to perform the culvert replacement for a cost of \$69,909.40 (incl GST) under the emergency classification was used to repair and reduce the inconvenience to the community and significantly reduce the likelihood of having to close the road altogether.

During the execution of the works, further damage was identified requiring a variation to the emergency works of \$32,395.01 including GST bringing the total project cost to \$102,304.41 (incl GST).

This report seeks Council to note the awarding of this variation to the initial approved emergency works which represents an increase of 46% and is above the approved variation threshold of 10%, requiring Council endorsement.

ISSUES, OPTIONS AND DISCUSSION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that priority is to be given to achieving the best outcomes for the municipal community, including future generations.

11.3.5 Longwood Ruffy Road Culvert Emergency Repairs - Procurement Variation Approval (cont.)

An exemption under the Emergency Provisions of Council's Procurement Guidelines was used to engage Sevens Creek Excavations to perform the urgent culvert replacement for a cost of \$69,909.40 (incl GST) following damage identified during a routine inspection in September 2023.

The extent of the slip required the road to be closed to one lane traffic under traffic signal control. After the traffic signals were installed, further investigations were performed to determine the cause and extent of the failure. It was determined that the repair treatment required the existing pipes to be removed and replaced with rubber ring jointed pipes, end walls constructed in accordance with the IDM standard for mass concrete end walls and the road reconstructed to reinstate the slip and open the road.

Local contractors were canvassed for the availability of their plant and equipment and the availability of the reinforced concrete pipes required to replace the existing installation. Sevens Creek Excavations were available to commence the works immediately and had access to the concrete pipes required within the same timeframe.

Subsequently the Chief Executive Officer approved an exemption to the procurement guidelines to engage Sevens Creek Excavations to perform the culvert replacement for a cost of \$69,909.40 (incl GST) in accordance with emergency works provisions in the Procurement Policy.

During the execution of the works significant volumes of wet unsuitable materials were discovered under the existing culvert. These materials consisted of super saturated silty/granitic sands to a depth of 1.5m below the bedding level of the pipe installation, as well as a high-water table that continued to saturate this material.

To enable the pipes to be laid and treat the highwater table, these materials required removal and replacement with 75 -150mm rock spalls over a Geotextile filter cloth to a depth of approx. 1.0m upon which crushed rock was placed and compacted to provide a strong stable platform to support the pipes being laid whilst also permitting the water table to not further impact on the conditions below the culvert.

Due to the depth of the excavation (significantly greater the 1.5m), the trench was required to be widened and benched to provide safe working conditions for the culverts to be laid as per the standard works practices for this type of work.

The increase in the trench width subsequently also increased the volume of pavement materials required to reinstate the pavement and the volume of asphalt required to reinstate the sealed surface.

The increased volume of materials generated from the excavations discussed above were retained on site and used to strengthen the downstream batter to reduce the likelihood of the failure occurring again.

11.3.5 Longwood Ruffy Road Culvert Emergency Repairs - Procurement Variation Approval (cont.)

In the initial quotation process the Contractor was asked to price the mass concrete end walls based on a 300mm thickness. After reviewing the IDM standard for the end walls for the pipe size installed it was identified that the end walls were required to be 500mm thick. Subsequently, the increase in thickness for the end walls resulted in a variation to the procurement.

The additional works required for the culvert repair extended the planned road closure from two days to five, further inconveniencing the community during the execution of the works.

The Chief Executive Officer, Manager Assets and Manager Operations were consulted and agreement to proceed was obtained to minimise further impacts to the community as this is the main feeder road for the Ruffy community. The Contractor was subsequently instructed to carry out the works, as described above, and complete the project as quickly as possible to enable the road to be reopened.

During the completion of the works the additional materials and construction effort required to perform the works was captured and the amounts agreed.

In December 2023, Sevens Creek Excavation submitted their price for the entire value of the work done to complete the culvert installation, valued at \$102,304.41 (incl GST) as delays in seeking Council approval would have increased costs and time delays to these emergency works.

The price was reviewed for the additional works required and was considered to represent Value for Money. This report is being presented to Council at the 20 February 2024 Meeting, being the next scheduled ordinary meeting.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

The Ruffy community was significantly impacted by this road closure and the Council's Engagement officers were in close contact with members of the community, informing them of the progress of the works, in particular discussing any issues they had with the extended period of the road closure.

This consultation was a significant input into the decision to proceed with the emergency repair and not delay the works to seek Council approval.

POLICY CONSIDERATIONS

POLICY CONSIDERATIONS

Council Plans and Policies

The author of this report considers that the report is consistent with Council Policies, key strategic documents and the Council Plan.

This report is consistent with the Strathbogie Shire Council Procurement Policy.

11.3.5 Longwood Ruffy Road Culvert Emergency Repairs - Procurement Variation Approval (cont.)

The *Council Plan* is relevant with the following:

Strategic focus area 2: Live.Access.Connect

Strategic focus area 6: Accountable.Transparent.Responsible

Asset Management Policy

- Asset renewal – is the upgrading or replacement of an existing Asset, or a component, that restores the service capability of the Asset to its original functional condition and performance.

Asset Management Strategy

- Ensure the Shire infrastructure enhances efficiency for people and freight movement, service delivery and community amenities.

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state and national plans and policies are to be taken into account in strategic planning and decision-making.

There are no regional, state, and national plans or policies relevant to the report.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The recommendation has no legal or statutory implications which require the consideration of Council.

Conflict of Interest Declaration

All other officers involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report or were removed from the process if a conflict was declared.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

All steps have been taken in line with Council's Procurement Policy which ensures transparency in the process. Decisions made by Council will be: -

- undertaken in accordance with the Act and the Governance Rules.
- will be conducted in an open and transparent forum with information available via Council reports.

Council meetings will be open to the community or can be viewed on the livestream (and available as a recording) unless closed for reasons permitted by s.66(2) of the Act.

11.3.5 Longwood Ruffy Road Culvert Emergency Repairs - Procurement Variation Approval (cont.)

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

These emergency repair/reinstatement works can be accommodated within existing 2023/24 budget parameters as part of the drainage improvement works which has an allocation of \$300,000, excl. GST.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic and Social

The project will improve safety, provide environmental and economic outcomes and increase social participation.

Environmental

The awarded Contractor shall develop a site-specific Environmental Management Plan and implement it during the construction period in line with project specifications and legislation governing Environmental Protection. Council officers will monitor the proper implementation of the Environment Management Plan throughout the project cycle.

HUMAN RIGHTS CONSIDERATIONS

The recommendation does not limit any human rights under the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

CONCLUSION

An exemption under the Emergency Provisions of Councils Procurement Guidelines was used to engage Sevens Creek Excavations to perform the culvert replacement for a cost of \$69,909.40 (incl GST) following damage identified in August 2023.

During the execution of the works significant volumes of wet unsuitable materials were discovered under the existing culvert. The additional works required for the culvert repair extended the planned road closure from two days to five and significantly extended the scope of work required to complete the repairs.

In December 2023 Sevens Creek Excavation submitted their final price for the entire value of work done to complete the urgent culvert installation, valued at \$102,304.41 including GST.

The price was reviewed and considered to represent Value for Money. This report is being presented to Council at the 20 February 2024 Meeting, being the next scheduled ordinary meeting.

ATTACHMENTS

Nil.

11.3.6 Contracts, Works and Grants Awarded Under Delegation - 1 December 2023 to 31 January 2024

Author: Procurement and Tenders Officer

Responsible Director: Acting Director People and Governance

EXECUTIVE SUMMARY

The purpose of this report is to inform Council and the community of the status of request for the publicly advertised tenders, invitations for written quotations and quotations provided using collaborative and/or third-party contracts which have been awarded under delegation for the period 1 December 2023 to 31 January 2024. This report specifically relates to works that form part of Council's 2023/24 budget.

This report also details any grants awarded under delegation as per Council's adopted Community Funding Model. Council adopted a Community Funding Model at the June 2023 Council Meeting authorising the Chief Executive Officer to award Quick Response Grants.

RECOMMENDATION

That Council note:

1. ***The Contracts awarded under delegated authority by the Chief Executive Officer and Director/s; and***
2. ***That no quick response grant applications were received during the reporting period.***

PURPOSE AND BACKGROUND

In line with Council's approach to transparency and good governance, the Contracts, Works and Grants Awarded Under Delegation report will be tabled for information purposes at each Council Meeting. The report details any contracts, works or grants that have been awarded under delegated authority by the Chief Executive Officer, a Director, or a Manager within their approved financial threshold. This report specifically relates to works and/or services that formed part of Council's approved 2023/24 budget.

ISSUES, OPTIONS AND DISCUSSION

Any contract awarded under delegation is undertaken in line with Council's Procurement Policy. Through the Instrument of Delegation to the Chief Executive Officer, the Council has delegated authority to the following:

- Chief Executive Officer – award a contract up to the value of \$170,000 for Goods and Services and \$220,000 for Works
- A Director – award a contract up to the value of \$100,000 for Goods, Services and Works
- A Manager – varies in value depending on the functionality contained within the portfolio, awarding of contracts up to the value of between \$10,000 to \$50,000 for Goods and Services and Works.

11.3.6 Contracts, Works and Grants Awarded Under Delegation
- 1 December 2023 to 31 January 2024 (cont.)

Council adopted a Community Funding Model at the 18 June 2023 Council Meeting authorising the Chief Executive Officer to award Quick Response Grants via this report. Officers received no Quick Response Grants for this reporting period.

Contracts Awarded Under Delegated Authority by Chief Executive Officer

Contract No.	CN 23/24-35
Contract Name	<i>*Euroa Civic Centre Bathroom Upgrade (Design and Construct)</i>
Contract Details	Lump Sum
Value Including GST	\$169,382.40 including GST
Supplier	Projects and Management Squared Pty Ltd
Scheduled Commencement	29 January 2024
Scheduled Completion Date	14 June 2024

***Note:** This contract is also subject to a Council Report - Item Number: 11.3.2

Contract No.	CN 23/24-30
Contract Name	<i>Project Management Consultancy to provide Project Management Services to assist with delivery on a range of critical infrastructure projects</i>
Contract Details	Lump Sum Contract
Value Including GST	\$59,400.00 including GST
Supplier	Sutra Services Pty Ltd
Scheduled Commencement	15 January 2024
Scheduled Completion Date	30 June 2024

Contract No.	CN 23/24-30
Contract Name	<i>Records Storage and Imaging, MAV Agreement - Grace</i>
Contract Details	<i>Using Municipal Association of Victoria (MAV) Contract Records Management and Imaging Services Renewal RM7813 and exempted from Public Tender Process under Procurement Policy under the Collaborative engagement clause - Contracts and arrangements established by another government entity, local authority or group purchasing scheme.</i>
Value Including GST	\$31,554.66 including GST
Supplier	Grace Records Management
Scheduled Commencement	1 January 2024
Scheduled Completion Date	31 December 2027 + four single year extensions, maximum term 31 December 2030

11.3.6 Contracts, Works and Grants Awarded Under Delegation
- 1 December 2023 to 31 January 2024 (cont.)

Contract No.	CN 23/24-39
Contract Name	<i>Supply of New laptops x30 – MAV Agreement – Byte</i>
Contract Details	<i>Using Municipal Association of Victoria (MAV) Contract ICT Professional & Leasing Services ES8111-2021 and exempted from Public Tender Process under Procurement Policy under the Collaborative engagement clause- Contracts and arrangements established by another government entity, local authority or group purchasing scheme.</i>
Value Including GST	\$66,660.00 including GST
Supplier	The Trustee for Byte Operations Trust No. 1
Scheduled Commencement	04 January 2024
Scheduled Completion Date	16 February 2024

Contracts Awarded Under Delegated Authority by Director/s

Contract No.	CN 23/24-41
Contract Name	<i>Asset Valuation – Professional asset valuation for land, building and streetscape Council assets, as required under Accounting Policy. This contributes to the year-end financial audit, and also assists with asset planning and insurance.</i>
Contract Details	Lump Sum
Value Including GST	\$45,617 including GST
Supplier	LG Valuations
Scheduled Commencement	29 January 2024
Scheduled Completion Date	30 June 2024

Contracts Awarded Under Delegated Authority Manager/s

Nil.

Quick Response Grants Awarded Under Delegated Authority by Chief Executive Officer.

Nil.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of *the Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

11.3.6 Contracts, Works and Grants Awarded Under Delegation - 1 December 2023 to 31 January 2024 (cont.)

Consultation

Where required, external stakeholders have been engaged providing input on relevant projects.

Community Implications

The author of this report considers that the recommendation has no significant community or social implications for Council or the broader community.

Conflict of Interest Declaration

All offices, and/or contracts involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

This report demonstrates that Council is being transparent by providing information to the community regarding the awarding of any works projects.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured. The contracts awarded under delegation are projects that have formed part of Council's adopted 2022/23 budget.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic

Works awarded under delegation provide an opportunity to generate great economic benefit using local contractors and the purchasing of materials and supplies. In addition, the enhancement of infrastructure continues to make our municipality a place of destination, one where people choose to live, work and play.

Social

Each project includes several social benefits to our community. Some of these benefits include infrastructure that encourages health and wellbeing activities and amenity improvements.

Environmental

The works will be undertaken in line with an approved scope of works and ensure that the site is made good upon completion of the works.

11.3.6 Contracts, Works and Grants Awarded Under Delegation
- 1 December 2023 to 31 January 2024 (cont.)

Climate Change

The author of this report considers that the recommendation has no significant implications on Climate Change and on the general environment.

HUMAN RIGHTS CONSIDERATIONS

This report considers that the recommendations do not limit any Human Rights under the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

CONCLUSION

It is important that decisions and actions taken under delegation be properly documented and transparent in nature. The report details the publicly advertised tenders, invitations for written quotations and quotations provided using collaborative and/or third party contracts which have been awarded by the Chief Executive Officer, Directors and Managers under delegated authority of the Council during the period 1 December 2023 to 31 January 2024.

This report also advises Council of any grants awarded under CEO delegation as per Council's adopted Community Funding Model. There were no grants awarded during the reporting period.

ATTACHMENTS

Nil.

11.4 CORPORATE

11.4.1 Strathbogie Shire Council Audit and Risk Committee - Audit And Risk Committee Charter - Use of Exceptional Circumstances Exemption Clause to Reappoint Two Independent Community Members

Author: Coordinator Governance and Records Management

Responsible Director: Acting Director People and Governance

EXECUTIVE SUMMARY

Under the Strathbogie Shire Council Audit and Risk Committee Charter, four (4) independent community members are appointed for a term of three (3) years to provide independent oversight over Council's financial management, risk management and good governance framework.

The terms of two existing Audit and Risk Committee independent community members, Alistair Thomson and Chair Paul Ayton, expire on 1 June 2024.

Clause (3.2) of the Charter states that "Council may reappoint current independent members if exceptional circumstances are considered to exist". It is considered that the organisational impacts arising from the Minister for Local Government's decision of 5 December 2023 to suspend all of the Councillors of the Strathbogie Shire Council and appoint a Council Administrator represents such exceptional circumstances.

Furthermore, membership continuity and stability of the Audit and Risk Committee is considered to be of paramount importance given the following circumstances:

- the Local Government elections to be held in October 2024 will see the election of a new group of Councillor representatives, and
- the contract with newly appointed internal auditors, RSD Audit came into force in September 2023 and the three-year internal audit program is yet to be fully confirmed.

With the recent appointment of Sophie Lukeis in December 2023, the appointment of two (2) new independent community members would mean there will be three (3) new Audit and Risk Committee members within a 6-month period. This represents a significant turnover in committee membership and results in loss of experience, expertise, knowledge and background around Council's current operations and governance challenges.

Given that the Charter aims to stagger the end of the terms of independent community members to avoid loss of continuity, it is proposed to extend the terms of Alistair Thomson and Paul Ayton for a further three years.

11.4.1 Strathbogie Shire Council Audit and Risk Committee - Audit And Risk Committee Charter
- Use of Exceptional Circumstances Exemption Clause to Reappoint Two Independent Community Members (cont.)

RECOMMENDATION

That Council:

1. ***Determines that under clause (3.2) of the Audit and Risk Committee Charter exceptional circumstances currently exist that require continuity in Committee membership given:***
 - i) ***the Ministerial decision of 5 December 2023 to suspend all Councillors of the Strathbogie Shire Council and appoint an Administrator, effective 6 December 2023 until the 2024 Local Government Council elections,***
 - ii) ***the contract with newly appointed internal auditors, RSD Audit, came into effect in September 2023 and the three-year internal audit program is yet to be fully confirmed, and***
 - iii) ***the Audit and Risk Committee requirements under the Local Government Act 2020.***
2. ***Reappoint Alistair Thomson and Paul Ayton for an additional three (3) years (terms ending 1 June 2027).***

PURPOSE AND BACKGROUND

Under the Audit and Risk Committee Charter, four (4) independent community members are appointed for a term of three (3) years to provide independent oversight over Council's financial management, risk management and good governance framework. The appointments are generally staggered year on year to ensure there is continuity in independent community membership.

The terms of two (2) Audit and Risk Committee members are due to expire on 1 June 2024, namely Alistair Thomson and current Chair Paul Ayton.

A decision to recruit two new independent committee members to commence in June 2024 or to reappoint the two existing independent committee members is required.

ISSUES, OPTIONS AND DISCUSSION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that priority is to be given to achieving the best outcomes for the municipal community, including future generations.

Clause (3.2) of the Audit and Risk Committee Charter states that "Council may reappoint current independent members if exceptional circumstances are considered to exist". It is considered that the impacts arising from the Minister for Local Government's decision of 5 December 2023 to suspend all of the Councillors of the Strathbogie Shire Council and appoint a Council Administrator represents such exceptional circumstances.

11.4.1 Strathbogie Shire Council Audit and Risk Committee - Audit And Risk Committee Charter
- Use of Exceptional Circumstances Exemption Clause to Reappoint Two Independent Community Members (cont.)

Furthermore, membership continuity and stability of the Audit and Risk Committee is considered to be of paramount importance given the following circumstances:

- the Local Government elections to be held in October 2024 will see the election of a new group of Councillor representatives, and
- the contract with newly appointed internal auditors, RSD Audit only came into force in September 2023 and the three-year internal audit program is yet to be fully confirmed.

The Charter aims to stagger the end of the terms of independent community members to avoid loss of continuity. To this end it is proposed to extend the terms of Alistair Thomson and Paul Ayton for a further three years. The table below outlines the actual (and proposed) terms of the current Audit and Risk Committee members noting the staggering of reappointments for 2025, 2026 and 2027.

Independent Community Member	Term Commence	Term End	Recruitment Process commences
Alister Purbrick	1 December 2022	1 December 2025	October 2025
Sophie Lukeis	4 December 2023	4 December 2026	October 2026
Paul Ayton	1 June 2024 (proposed)	1 June 2027	March 2027
Alistair Thomson	1 June 2024 (proposed)	1 June 2027	March 2027

The October 2024 Local Government elections may see a new group of Councillor representatives, and to ensure good governance, officers consider that continuity in membership of the Audit and Risk Committee is imperative. With the appointment of Sophie Lukeis as a new independent community committee member in December 2023, if recruitment is undertaken to replace the current committee members, this will result in three (3) new independent community members and two (2) new councillor representatives (two representative and one substitute member) joining the Audit and Risk Committee by year's end. This not only represents a significant turnover in committee membership, but results in loss of experience and background around Council's current operations and current and future governance challenges.

Furthermore, the contract with newly appointed internal auditors, RSD Audit, came into force in September 2023 and the three-year internal audit program is yet to be fully confirmed.

Both Alistair Thomson and Paul Ayton are supportive of this proposal given the current context under the exceptional circumstances clause.

Alternatively, Council could determine to advertise to appoint two (2) new of the current Audit and Risk Committee members in accordance with their current terms of appointment. However, this option is not recommended by officers given the importance of continuity during periods of significant organisational change.

11.4.1 Strathbogie Shire Council Audit and Risk Committee - Audit And Risk Committee Charter
- Use of Exceptional Circumstances Exemption Clause to Reappoint Two Independent Community Members (cont.)

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

Both independent community Committee members were appointed to the Audit and Risk Committee following an open public advertising process and rigorous recruitment process in the past.

No further community engagement is required should the proposed recommendation be endorsed.

POLICY CONSIDERATIONS

Council Plans and Policies

The appointment of independent community members to Strathbogie Shire Council's Audit and Risk Committee is consistent with Strategic Focus Area 6: Accountable. Transparent. Responsible and implements strategy 6.1.6 of the 2021-25 Council Plan (2023 update), which refers to:

- Support the Audit and Risk Committee in completing its work plan.

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state, and national plans and policies are to be taken into account in strategic planning and decision-making.

The appointment of independent community members to Council's Audit and Risk Committee is consistent with the approach taken to independent oversight at State and Federal levels of government, and consistent with the meeting the obligations set out in the *Local Government Act 2020*.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

An Audit and Risk Committee must be appointed by all Councils under section 53 of the *Local Government Act 2020* (the Act). A Charter adopted by Council on 17 October 2023, outlines the Committee's membership, roles and responsibilities as defined by the Act.

The reappointment of the two (2) independent community members is in accordance with the requirements of the Act and the Charter, while also achieving the Charter's aims of continuity but consistent turnover of independent community members through staggered terms.

11.4.1 Strathbogie Shire Council Audit and Risk Committee - Audit And Risk Committee Charter
- Use of Exceptional Circumstances Exemption Clause to Reappoint Two Independent Community Members (cont.)

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

This report seeks transparency around the recommendation to reappoint existing independent community members to the Audit and Risk Committee ensuring a level of continuity and stability in a very challenging operational environment.

One of the key objectives of the Audit and Risk Committee is to ensure public probity and transparency around Council operations in accordance with the Committee's Charter and the *Local Government Act 2020*.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

Audit and Risk Committee independent community members are awarded a stipend of \$380.53 per meeting for members and \$444.67 per meeting for the Chair. This is funded through existing budget allocations meaning there are no financial implications of note arising from this report.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Section 4.17.7 of the Charter requires the Audit and Risk Committee to monitor work by the Council to mitigate and plan for climate change risk.

The Committee is also required to monitor the progress being made by Council to update the 2022-2027 Climate Change Action Plan.

The Committee therefore has an oversight role ensuring sustainability considerations are being implemented in day-to-day decision making, and that the risks around climate change form part of Council's overall risk management strategies.

11.4.1 Strathbogie Shire Council Audit and Risk Committee - Audit And Risk Committee Charter
- Use of Exceptional Circumstances Exemption Clause to Reappoint Two Independent Community Members (cont.)

INNOVATION AND CONTINUOUS IMPROVEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is the pursuit of innovation and continuous improvement.

The role of the Audit and Risk Committee is to receive internal and external independent audit reports, which frequently highlight areas for innovation and improvement in Council operations.

The Committee monitors the organisation's response to internal and external audit recommendations and therefore has an oversight role ensuring there are opportunities for continuous improvement across all Council operations.

COLLABORATION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that collaboration with other councils, levels of government and statutory bodies is to be sought.

The Audit and Risk Committee is a collaborative body that works closely with Council's independent external auditors, the Victorian Auditor General's Office (VAGO), Councils independent internal auditors, RSD Audit and other internal and external bodies as required.

HUMAN RIGHTS CONSIDERATIONS

It is considered that there are no impacts arising out of this report in terms of the rights and responsibilities set out under the *Charter of Human Rights and Responsibilities Act 2006*, aside from the Committee having a role in ensuring all legislation and Council policy in relation to rights, equal opportunity and the like are adhered to.

CONCLUSION

The reappointment of the two (2) current independent community members for an additional three-year term seeks to achieve continuity and stability at a stage where Strathbogie Shire Council will be subject to significant change stemming from the appointment of a Council Administrator, the election of new Councillor representatives in October 2024, and the appointment of new internal auditors in September 2023.

The continuation of current independent community members Alistair Thomson and Paul Ayton maintains the broad range of skills, expertise and experience across the Committee membership and ensures consistency and continuity for the Audit and Risk Committee.

Future recruitment for independent community members will be undertaken in October 2025, October 2026 and March 2027 should the reappointments be approved, achieving the staggered terms for independent community membership required under the Audit and Risk Committee Charter.

ATTACHMENTS

Nil

11.4.2 Strathbogie Shire Council Audit and Risk Committee – Annual Committee Performance Report January 2023 to December 2023

Author: Coordinator Governance & Records Management

Responsible Director: Acting Director People & Governance

EXECUTIVE SUMMARY

This report presents the Strathbogie Shire Council Audit and Risk Committee Annual Committee Performance Report for the period January 2023 to December 2023.

The Committee prepares an annual committee performance report that describes the activities of the Audit and Risk Committee and includes the Committee's findings and recommendations in accordance with section 54(5a) of the *Local Government Act 2020 (the Act)*, and clause 6 of the Audit and Risk Committee Charter (the Charter).

The Annual Committee Performance Report covers the Audit and Risk Committee activities from 1 January 2023 to 31 December 2023. In the period, the Committee met seven times as detailed in Table 1.

Table 1: Meetings held in the calendar year

Meeting Date	Purpose of Meeting
3 March 2023	Ordinary Meeting
21 April 2023	Ordinary Meeting – to consider the 2023/2024 Draft Budget and Capital Works Program
2 June 2023	Ordinary Meeting
12 July 2023	Strategic Planning Workshop
8 September 2023	Ordinary Meeting
6 October 2023	Policy Review Meeting
27 November 2023	Ordinary Meeting

The report details:

- Membership Attendance
- Key Activities for the Reporting Period
- External Audit report summary
- Internal Audit report summary
- Risk Management summary
- Assessment of the Committee's Performance summary
- Forward Meeting Schedule
- Audit Committee Work Plan – Summary of Actions/Updates to December 2023

RECOMMENDATION

That Council receive and note the Strathbogie Shire Council Audit and Risk Committee Annual Committee Performance Report January 2023 – December 2023.

11.4.2 Strathbogie Shire Council Audit and Risk Committee
– Annual Committee Performance Report January 2023 to December 2023 (cont.)

PURPOSE AND BACKGROUND

The Strathbogie Shire Council Audit and Risk Committee is a Committee appointed by Council and pursuant to section 53 of the *Local Government Act 2020*.

The primary objective of the Audit and Risk Committee is to assist Council in the effective conduct of its responsibilities for compliance with Council policies and legislation, sound financial reporting and financial management, oversight of risk management including the Strategic Risk Register, good corporate governance, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

ISSUES, OPTIONS AND DISCUSSION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that priority is to be given to achieving the best outcomes for the municipal community, including future generations.

Under Section 54 (5) of the *Local Government Act 2020*, an Audit and Risk Committee (Committee) must prepare an annual audit and risk report that describes the operation and activities of the Audit and Risk Committee and includes its findings and recommendations.

There are eleven key action groupings listed in the Committee's Strategic Workplan as required under the themes as per the *Local Government Act 2020*.

The status of the workplan as at February 2024 are detailed in Attachment 1 – Audit and Risk Committee Performance Report (the Report) . The Committee have addressed all the actions outlined in the Plan in what has been a busy and challenging year. The key matters considered during the reporting period by the Committee are outlined in Table 3 of the Report (pages 3 – 11).

As well as the key issues the Committee has comprehensive standing agenda items which are reviewed and monitored quarterly and include:

- Internal Audit Updates,
- Monitoring outstanding internal audit recommendations and action,
- Policy Updates,
- Risk Management,
- Audit and Risk Committee Workplan,
- Human Resources Key Indicators,
- Councillor (Administrator) Expenses;
- CEO Purchasing Card (now redundant),
- Fraud and Risk Management, and
- Investment and Borrowings.

The Committee's work has been completed with the support of Council Officers, AFS and Associates Pty Ltd and RSD Audit (as Council's internal auditors for the reporting period), and Crowe Australasia Pty Ltd (as the external auditors appointed on behalf of VAGO).

11.4.2 Strathbogie Shire Council Audit and Risk Committee – Annual Committee Performance Report January 2023 to December 2023 (cont.)

The addition of a strategic planning and dedicated policy review meetings will assist the Committee and Council administration to deliver the requirements set out in the Strategic Work Plan in the year ahead. The forward meeting schedule is set to the end of June 2024, as follows:

- 1 March 2024 Ordinary meeting,
- 5 April 2024 Ordinary meeting – 2024-25 draft budget and performance statements review, and
- 7 June 2024 Ordinary meeting.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

Consultation on this matter is not required under Council's Community Engagement Policy given the operational nature of the committee and its operation under the Audit and Risk Committee Charter.

The Committee is comprised of four independent Community representatives and two Councillors (with one Councillor substitute representatives).

POLICY CONSIDERATIONS

Council Plans and Policies

The work of the Committee is consistent with Strategic Focus Area 6: Accountable. Transparent. Responsible, which outlines several strategies:

As a Council we will:

- *Achieve the highest level of good governance across the organisation and as an elected Council*
- *Be accountable for the decisions we make and the quality of services we deliver*
- *Maximize public transparency and accountability around our performance and decision-making processes*
- *Be financially responsible achieving the greatest possible community benefit from the programs, initiatives, and services we fund.*

The Audit and Risk Committee plays a key role in monitoring implementation of these strategies.

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state, and national plans and policies are to be taken into account in strategic planning and decision-making.

The Audit and Risk Committee has been established under State government legislation, while its Workplan and Charter have been developed in accordance with State government guidelines.

11.4.2 Strathbogie Shire Council Audit and Risk Committee
– Annual Committee Performance Report January 2023 to December 2023 (cont.)

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

The Audit and Risk Committee has been constituted and established under sections 53 and 54 of the *Local Government Act 2020*, which requires all councils to appoint a Committee and adopt a Charter to provide a governance structure for its operations.

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

The appointment of an Audit and Risk Committee, along with noting the Audit and Risk Committee Annual Committee Performance Report through this Council agenda at a public meeting, ensures transparency around the operation of the Committee and the issues that it is considering/monitoring.

The Audit and Risk Committee have a dedicated webpage on Council's website, accessible via the following link:

<https://www.strathbogie.vic.gov.au/council/governance/audit-and-risk-committee>

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

The independent overview of Council's financial management processes and performance is a key task undertaken by the Committee to ensure Council's ongoing financial sustainability.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Throughout the 12-month reporting period, the Audit and Risk Committee were briefed on a number of sustainability projects, including Waste Management and Environmental Sustainability and Climate Change internal audit reviews.

11.4.2 Strathbogie Shire Council Audit and Risk Committee
– Annual Committee Performance Report January 2023 to December 2023 (cont.)

INNOVATION AND CONTINUOUS IMPROVEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is the pursuit of innovation and continuous improvement.

The input of the Audit and Risk Committee into key governance and financial management tools such as the strategic risk register and policy reviews ensures continuous improvement is achieved across the organisation.

Service and value for money improvements are achieved through the internal and external audit process, the former of which is overseen by the Committee.

COLLABORATION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that collaboration with other councils, levels of government and statutory bodies is to be sought.

The Committee endures collaboration with independent community members, internal auditors and external auditors appointed by the Victorian Auditor General's Office (VAGO).

HUMAN RIGHTS CONSIDERATIONS

The Audit and Risk Committee's activities are consistent with the implementation of the *Charter of Human Rights and Responsibilities Act 2006* in terms of its role in ensuring Council adheres to legislative requirements.

CONCLUSION

The Audit and Risk Committee has achieved the goal as set by its Strategic Work Plan for the calendar year. This work has been completed with the support of Council Officers, AFS and Associates Pty Ltd and RSD Audit (as Council's internal auditors for the reporting period), and Crowe Australasia Pty Ltd as the external auditors appointed on behalf of VAGO.

The addition of a strategic planning and dedicated policy review meetings will assist the Committee and Administration to deliver the requirements set out in the Strategic Work Plan in the year ahead.

This report recommends the noting of the Audit and Risk Committee Annual Committee Performance Report from January 2023 to December 2023.

ATTACHMENTS

Attachment 1: Strathbogie Shire Council Audit and Risk Committee Annual Committee Performance Report January 2023 to December 2023

11.4.3 Mid-Year Budget Review 2023/24

Author: Chief Financial Officer

Responsible Director: Director People & Governance

EXECUTIVE SUMMARY

A mid-year budget review for the 2023/24 financial year has been undertaken as a means of tracking where the delivery of the budget and capital works program is at, and also to better inform the development of the 2024-25 budget and revision of our 2024/25 to 2033-34 Long Term Financial Plan.

The Mid-year budget review for the 2023/24 financial year records an improvement of operating result by \$984,779 and increased capital expenditure of \$4,134,203 (which is largely offset by grants or expenditure carried forward) when compared to the adopted Budget.

The mid-year review, and associated financial statements, are presented to Council for noting.

RECOMMENDATION

That Council note the Mid-Year Review of the Financial Statements for the period ending 30 June 2024.

PURPOSE AND BACKGROUND

The 2023/24 Budget was prepared in accordance with the *Local Government Act 2020* (the Act) and was formally adopted at Extraordinary Council meeting held on 27 June 2023 after being subject to community engagement and input.

Under Section 96 and 97 of the Act, Council must establish and maintain a budgeting and reporting framework that is consistent with the principles of sound financial management. Undertaking a mid-year review to assess where the budget is currently at, and how this may impact the development of the 2024-25 budget, satisfies these requirements.

ISSUES, OPTIONS AND DISCUSSION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that priority is to be given to achieving the best outcomes for the municipal community, including future generations.

Process

As part of the mid-year budget process, all operating income, expense line items and capital projects were reviewed by each department manager to identify potential changes to the adopted budget.

Spending priorities were assessed based on various factors such as already committed work, grant funding agreement commitments and prioritising natural disaster recovery initiatives.

These changes were assessed and approved by the Executive Leadership Team for the consideration and adoption by the Council.

11.4.3 Mid-Year Budget Review 2023/24 (cont.)

Factors informing the Mid-Year Review

The following factors were considered during the mid-year review.

- Macro-economic factors affecting Council operations – increased costs due to inflationary pressures. Labour and material shortages, shortage of contractors and high interest rates were considered during the mid-year budget review. Capacity constraints in the economy are now evident, particularly in the construction industry as a result of significant public and private investments in the economy resulting in increased competition for resources.
- Our capacity to deliver – the organisation's capacity to deliver capital projects depends upon various factors including availability of contractors and materials, weather, and availability of in-house project officers to manage capital projects.
- Natural disasters - October 2022 flood – Council completed the majority of repair work for flood damaged roads in the 2022/23 financial year. However, buildings and bridge repair work are planned to be completed in 2023/24 and future years. Part of flood related expenditure and income carried forward and included in 2023/24 mid-year budget.
- Natural disasters – flood and storm December 2023 / January 2024 - a further event occurred in December/January 2023/24 and this will require expenditure, with Council likely to be required to fund the first \$100,000 of expenditure, should a Natural Disaster claim be accepted.

These micro and macro-economic factors affect council operations both in short term and longer term.

The major variations made to our financial statements as a result of the mid-year review are:

Positive

- Grant funding received in 2022/23 but income recognised in 2023/24.
- Grant funding received but not budgeted – Flood recovery related grants.
- Increase in supplementary rates income and rent income.

Negative

- Carried forward expenditure from 2022/23, some supported by grant funds.
- Flood recovery expenditure (offset by grants income).
- Increase in salary expense due to specialist governance support and salary reviews.
- Decrease contributions due to businesses affected by flood.

In relation to the current year, the forecasted operating surplus at the end of the period ending 30 June 2024 is \$4,560,565.

11.4.3 Mid-Year Budget Review 2023/24 (cont.)

Capital works for 2023/24 is expected to be \$20,615,706 including committed works. There is an overall increase in capital expenditure by \$4,134,203 when compared to the adopted Budget. This is made up of:

Adopted capital budget 2023/24	16,481,503
Capital projects carried forward from prior year	2,334,266
New capital projects identified (grant funded)	3,481,640
New capital projects identified (Council funded/linked to income)	303,600
Market cost escalations on existing projects (grant funded)	830,375
Market cost escalations on existing projects (council funded)	836,287
Drainage strategy	464,100
Savings on existing projects	(1,376,145)
Projects carried forward to future years	(461,450)
Projects removed from adopted capital works program	(1,923,370)
Projects dropped to fund drainage strategy	(355,100)
Mid-year capital budget 2023/24	20,615,706

Removal of project

In the Original budget, provision was made for construction of Habel Road, Nagambie based on an estimated cost of \$1,634,000 with \$900,000 in grant funding provided by the Victorian Government and an allocation of \$260,000 from the Commonwealth Local Roads and Community Infrastructure programme. Further detailed estimates of the cost have indicated a significant increase in the estimate to do the whole project (in the order of \$5 million) such that the project is considered unviable at the present time.

Council is currently undertaking several projects relevant to the future development of Nagambie, being a Shire wide Drainage Strategy, Nagambie Employment Masterplan and Municipal Settlement Strategy. These reports are expected to provide further support for infrastructure projects in areas such as Nagambie which would in turn support future funding applications.

Therefore, it is proposed to remove the project from the Budget, return the State grant, apply to reallocate the Local Roads and Community Infrastructure Program funding to another project in the Nagambie area, along with what would have been a Council contribution.

Project inclusions:

Following the 2022 floods, the Nagambie Library was relocated to the shopfront site due to structural issues with the existing building that was being shared with Nagambie Health. The existing building (the building), located at 352 High Street, Nagambie, was formally the Goulburn Shire Offices and this use ceased at amalgamations in 1994.

A further structural inspection of the building identified that the heaving has now ceased, and a range of structural issues are now required to be rectified before it can be used.

11.4.3 Mid-Year Budget Review 2023/24 (cont.)

Officers have consulted with Goulburn Valley Libraries and Nagambie Health and have been advised that they do not wish to relocate back to the 352 High Street site. The library has seen increased visitations at their new location and Nagambie Health also no longer require the space to support their operations.

Given the significant issues with office accommodation in Euroa, provision has been made of \$150,000 to establish a permanent office presence in Nagambie. Work is currently proceeding to determine how that will operate.

Furthermore, following Council's decision to withdraw from provision of the School Crossing Supervisor service, provision of \$100,000 has been made for infrastructure improvements at the Nagambie Primary School crossing to assist the safe operation of that crossing.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

A significant amount of community engagement and participation was undertaken in the development of the 2023/24 budget. There has been no consultation for the mid-year review, which is essentially an internal assessment as to the progress of the budget's implementation and unexpected factors that need to be reflected in Council's financial statements.

Council's Audit and Risk Committee have not had the opportunity to review the mid-year financial statements, however they will be presented to the Committee for noting at the Committee's 1 March 2024 meeting in line with existing practice.

POLICY CONSIDERATIONS

Council Plans and Policies

The 2023/24 Budget was prepared in accordance with the *Local Government Act 2020* and was formally adopted at Extraordinary Council Meeting held on 27 June 2023.

The guidance set out in relevant policies, such as the Revenue and Rating Plan and the Long-Term Financial Plan have informed this review.

The mid-year review is consistent with the strategies outlined in the 2021-25 Council Plan under:

Strategic Focus Area 2: Live. Access. Connect.

- Our integrated service and infrastructure planning enables Council to adapt to and meet changing needs and a growing population.
- We have strategies and long-term capital budgets in place to ensure we work towards all our facilities and buildings being accessible by people of all abilities.

11.4.3 Mid-Year Budget Review 2023/24 (cont.)

Strategic Focus Area 4: Inclusive. Productive. Balanced

- Our services and infrastructure projects are focussed on supporting the development of our local economy, particularly in responding to the challenges of the Covid 19 pandemic and recognising that agriculture is the municipality's key economic driver.
- Our tourism sector is driven by our community and the private sector and provides for a growing range of events, attractions and facilities.

Strategic Focus Area 5: Strong. Healthy. Safe

- A comprehensive strategic planning framework guides long term capital works program that delivers a growing range of services, infrastructure and facilities to support improved physical and mental health.

Strategic Focus Area 6: Accountable. Transparent. Responsible.

- Maximise public transparency and accountability around our performance and decision making processes.
- Be financially responsible, achieving the greatest possible community benefit from the programs, initiatives and services we fund.
- Ensure our organisation's structure and resource allocation are regularly reviewed so they align with the goals and deliverables of the Community Vision and this Council Plan.

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state and national plans and policies are to be taken into account in strategic planning and decision-making.

Applicable regional, state and national plans and policies have been taken into account when preparing mid-year budget review.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

While there are changes to the capital works program and a range of increased costs and savings, the changes are not of a nature to require a new budget to be prepared under the Act.

The consideration of a mid-year review is a key way in which Council implements the strategic financial management principles outlined in section 101 of the Act, which are:

- revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans;*
- financial risks must be monitored and managed prudently having regard to economic circumstances;*
- financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community;*

11.4.3 Mid-Year Budget Review 2023/24 (cont.)

- (d) *accounts and records that explain the financial operations and financial position of the Council must be kept.*

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

There are no declared conflicts of interest.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

The consideration of this report in the public arena, outlining the positive and negative influences on Council's financial position is aimed at achieving greater transparency and accountability around our financial management.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

The net estimated financial impact from the mid-year budget review is an improvement of \$1,770,041 (cash, cash equivalents and other financial assets). This improvement will help meet increased capital and operational expenses in future years and ensure our financial position is sustainable in delivering community services.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic

The mid-year budget report provides updated details on how the Council generates income and spends funds during the financial year. Our report is intended to inform the community of the wider financial and economic impact of Council activities. A focus on flood and storm recovery works is a significant way in which Council can support the community's recovery from the natural disaster.

Social

Council, in partnership with other levels of government, is responsible for aspects of everyday life that our community value – from our public open spaces to accessible libraries, to strong local business and employment opportunities.

Effective planning and reporting by councils is essential for ensuring transparency and accountability to the community and other levels of government as to how public money is being spent and the quality of services delivered.

11.4.3 Mid-Year Budget Review 2023/24 (cont.)

The mid-year budget review provides an insight into to how the Council will spend its funds during 2023/24.

Environmental

There are no adverse effect on environmental initiatives from the mid-year budget changes.

Climate change

There are no adverse effect on climate change from the mid-year budget changes.

INNOVATION AND CONTINUOUS IMPROVEMENT

Council continues to refine its budget and the proposed changes in the mid-year budget will better reflect its actual expenditure by the year end.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications in relation to the *Charter of Human Rights and Responsibilities Act 2006* arising from this report.

CONCLUSION

That following a comprehensive review of every expenditure and capital works item by the Management Team and the Executive Leadership Team, the Mid-Year Review for the period ending 30 June 2024, along with its financial statements, be noted.

ATTACHMENTS

Attachment 1:

- Income Statement
- Balance Sheet
- Cash Flow Statement
- Capital Works Statement

11.4.4 2021-2025 Council Plan – 2023/2024 Six Monthly Review

Author: Acting Director People and Governance

Responsible Director: Chief Executive Officer

EXECUTIVE SUMMARY

The Council Plan represents a four-year road map for Council and describes the key priorities that Council will focus on between 2021 and 2025. The Strathbogie Shire Council Plan 2021-25 Council Plan was adopted in October 2021. A key consideration in developing this Council Plan was the new Community Vision, which captures the long-term goals and aspirations of the community for Strathbogie Shire. The Council Plan provides a guide to Council's strategic direction, objectives and key strategies for the period 2021 - 2025 and the role that Council plays in achieving the Community Vision. Together, these are important strategic plans to help plan for the future of the Shire.

The first annual review of the Council Plan was undertaken in June 2022 and with an updated Plan adopted by Council on 21 June 2022. The second annual review was presented to Council at the August 2023 Council Meeting and actions in focus for the 2023/2024 year were set.

To provide greater reporting transparency and updates to our community, this report represents a six-month review of the 2023-2024 actions and attachment 1 provides a tracking document that gives a specific breakdown of the 2023/2024 actions, their progress and supporting commentary.

RECOMMENDATION

That Council:

- 1. *Note the progress on a range of actions across the six Strategic Focus Areas for the six-month period of the 2023/2024 Council Plan; and***
- 2. *Inform the community on the six-monthly progress of the 2023/2024 Council Plan actions through Council's website.***

PURPOSE AND BACKGROUND

The 2021-25 Council Plan is the key strategic document that governs the allocation of human and financial resources and outlines the actions and strategies to be employed by Council to achieve the Community Vision. It is essential that the Plan be reviewed on a regularly basis to inform our community on the progress actions. This report provides our community with a six-monthly update on the progress of the 2023/2024 actions.

ISSUES, OPTIONS AND DISCUSSION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that priority is to be given to achieving the best outcomes for the municipal community, including future generations.

11.4.4 2021-2025 Council Plan – 2023/2024 Six Monthly Review (cont.)

The 2021-25 Council Plan (the Plan) was adopted in October 2021 following several months of deliberative community engagement. The Plan is updated annually and as part of our commitment to ensure accountability and transparency to our community, a six monthly progress report is presented to Council. As at February 2024, 23 actions have been completed, 25 actions are currently in progress, five (5) actions remain ongoing, four (4) are yet to commence and two (2) are either deferred or on hold.

Achievements over the past six (6) months include:

- A series of events and initiatives to support healthy eating practices, reduced obesity and increased physical activity has been delivered. Initiatives included breakfast club at Euroa Secondary College, activation of the food van, implementation of the Healthy Eating Guide, new parents group, implementation of the INFANT program and lactation support.
- Open and Play Space Strategy - final draft for community consultation to be presented for consideration in the April 2024 Council meeting cycle.
- The review and implementation the Tracks and Trails Strategy to improve connectivity and physical activity across the municipality is underway.
- Onsite works for the Violet Town Landfill rehabilitation project have been completed. Council is awaiting formal sign off from the EPA for the completion.
- Advocacy to Federal and State governments for investment in reliable power supply infrastructure with a focus on renewable energy continues.
- The development and adoption of the Destination Management Plan in partnership with Greater Shepparton City Council and Mitchel Shire Council has been completed.
- The 2023 program to deliver a range of Youth Leadership Events and Activities across the municipality has been completed. Planning for the 2024 calendar of events is underway.
- Council participated in Seniors Week offering a series of events across the municipality including a performance from the GV Orchestra.
- The draft Avenel 2030 Strategy to guide future development and growth while maintaining local character is currently out for community feedback.
- The Asset Management Policy adopted by Council December 2023.
- Council led NBNCO community engagement sessions held across shire. New mobile towers erected Boho, Euroa, Kirwans Bridge, Locksley, Mangalore, Nagambie, Tabilk and Violet Town.

The Council Plan Progress Report (refer attachment 1) provides an update against all 59 2023/2024 actions, their progress and supporting commentary.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

11.4.4 2021-2025 Council Plan – 2023/2024 Six Monthly Review (cont.)

In developing its Council Plan, section 90 (3) of the Act requires a deliberative engagement process to be undertaken. This consisted of a range of ‘town hall’ style workshops, market stalls, online surveys and the creation of a Community Panel of around 35 people. The Community Panel developed the Community Vision and had significant input into the development of Council Plan actions and strategies.

POLICY CONSIDERATIONS

Council Plans and Policies

The purpose of this report reports on the six-monthly progress of the 2023/2024 Council Plan actions.

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state and national plans and policies are to be taken into account in strategic planning and decision-making.

Various actions and strategic priorities in the Council Plan are consistent with regional, State and National plans and policy directions.

The following lists have been compiled to demonstrate just some of the relevant policies, strategies and plans that Council reference in grant applications, business cases and advocacy campaigns.

Victorian Government/ State authority:

- Victoria’s 30-Year Infrastructure Strategy;
- Department of Transport Policy and Strategy;
- Parks Victoria POL-710
- Sustainability Victoria 2030 Strategy
- Department of Environment, Land, Water and Planning
- The Victorian Water Act
- Water for Victoria: Water Plan
- Victoria 2026 Commonwealth Games Sports Program
- Sport and Recreation Victoria
- Department of Health and Human Services Victoria
- Playground equipment, layout and shade guidelines - Department of Health
- Victorian Budget 2022/23

Australian Government/ Federal authority:

- Department of Infrastructure, Transport, Regional development and Local Government;
- National Freight and Supply Chain Strategy and National Action Plan;
- National Electricity Rules
- Australian Energy Market Agreement
- Australian Energy Market Commission Establishment Act 2004
- AusNet Distribution Connection Policy
- Drought Policy
- Drought Resilience Funding Plan 2020-2024
- The Treasury: Federal Budget 2022-23
- Business.gov.au

11.4.4 2021-2025 Council Plan – 2023/2024 Six Monthly Review (cont.)

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

Section 90 of the *Local Government Act 2020* requires Council to prepare and adopt a Council Plan of at least the next four financial years within 12 months of a general election.

The Council Plan must include:

- a) the strategic direction of the Council
- b) strategic objectives for achieving the strategic direction
- c) strategies for achieving the objectives for a period of at least the next 4 financial years
- d) strategic indicators for monitoring the achievement of the objectives
- e) a description of the Council's initiatives and priorities for services, infrastructure and amenity
- f) any other matters prescribed by the regulations.

Whilst the new *Local Government Act 2020* is silent on the need for Council to review and update the plan, in contrast to its predecessor from the 1989 Act in the interests of being accountable to our community, Council will continue the practice of six (6) monthly progress reporting.

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

The six month progress report of the Council Plan ensures that Council's strategic priorities and actions highlight progress to the community.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

There is an intrinsic link between the annual budget and the Council Plan. Actions identified within the Council Plan requiring financial resource, are referred for deliberation as part of the annual budget cycle process.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

11.4.4 2021-2025 Council Plan – 2023/2024 Six Monthly Review (cont.)

Economic

There are several economic actions and initiatives that form part of the Council plan to support the economic prosperity of the municipality, including the implementation of the Economic Development Strategy and lobbying other levels of government to provide the key infrastructure required to support our economy.

Social

Actions that create social benefit form the basis of the entire Council Plan, including a focus on public health and wellbeing initiatives. There are several actions around identifying and planning for future social infrastructure to support population growth and to respond to changes across our population.

Environmental

The Council Plan 2021-2025 includes a number of environmentally focused initiatives including tree planting projects and investigate, in partnership with Goulburn Valley Water, opportunities to green open spaces in towns with recycled water from the towns' wastewater treatment plant.

Climate change

Climate change related initiatives underpin the Council Plan, not only through an action to implement the Climate Change Action Plan, but other initiatives around tree planting, community resilience, review of planning scheme controls and improved resource recovery and waste management.

Strategic focus area 3 of the Council Plan 2021-2025: Protect. Enhance. Adapt. Projects such as the Greening Euroa Project utilises drought resilient strategies by channelling recycled water to water tanks for sports facilities to utilise year-round, while other initiatives such as reliable power supply infrastructure has a focus on renewable energy programs for our community.

INNOVATION AND CONTINUOUS IMPROVEMENT

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is the pursuit of innovation and continuous improvement.

To provide greater reporting transparency and updates to our community, six-monthly reporting is now being introduced.

COLLABORATION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that collaboration with other councils, levels of government and statutory bodies is to be sought.

Council is focussed on developing and strengthening mutually beneficial relationships with decision makers and key influencers making them aware of joint opportunities for project delivery, community projects or initiatives and collaboration opportunities.

Collaboration with all levels of Government, authorities, associations, networks, private sector stakeholders, and community groups is essential in advocacy work and campaigns.

11.4.4 2021-2025 Council Plan – 2023/2024 Six Monthly Review (cont.)

HUMAN RIGHTS CONSIDERATIONS

There are no implications arising out of this report in relation to the *Charter of Human Rights and Responsibilities Act*.

CONCLUSION

At the August 2023 Council meeting the Council Plan actions for the 2023/2024 year were confirmed. These actions support the delivery of priorities as identified in the 2021 – 2025 Council Plan. This report provides our community with a six (6) monthly update on the progress of the 2023/2024 actions.

ATTACHMENTS

Attachment 1: Strathbogie Shire Council Plan Actions: 2023-24 Progress Report 2023/24

11.4.5 Master Inland Rail Development Agreement – Australian Rail Track Corporation

Author: Acting Director People and Governance

Responsible Director: Chief Executive Officer

EXECUTIVE SUMMARY

The Commonwealth Government's Inland Rail Project lead by the Australian Rail Track Corporation (ARTC) has a clear aim of getting more freight on rail. To support this vision in Victoria as part of the Tottenham to Albury project, work will be undertaken along the existing rail corridor throughout North East Victoria. More specifically in Euroa, there is not adequate clearance under the Anderson Street Bridge and new infrastructure will be required to safely allow for double-stacked carriage trains.

The Master Inland Rail Development Agreement (MIRDA) sets out the rules of engagement between Strathbogie Shire Council and the ARTC in order to successfully deliver the Inland Rail Programme, covering (but not limited to) the identification of assets impacted, returned works and standards to be used for the design, construction and handback of Council assets. This agreement is specifically between the ARTC and Strathbogie Shire Council. Similar agreements are in place with other local government authorities where the Inland Rail Project is occurring.

Following an extensive revision process including legal review, the final agreement is now developed. It is important to note that provisions within the agreement allow for amendments to occur throughout the life of the agreement.

This report seeks Council's authorisation for the Chief Executive Officer to enter into the agreement.

RECOMMENDATION

That Council:

- 1. Authorise the Chief Executive Officer to sign the Master Inland Rail Development Agreement with the Australian Rail Track Corporation; and***
- 2. Authorise the Chief Executive Officer to sign any amendments to the Master Inland Rail Development Agreement as will be required throughout the duration of the agreement, and advise Council accordingly.***

PURPOSE AND BACKGROUND

The Commonwealth Government's Inland Rail Project lead by the Australian Rail Track Corporation (ARTC) has a clear aim of getting more freight on rail. To support this vision in Victoria as part of the Tottenham to Albury project, work will be undertaken along the existing rail corridor throughout North East Victoria.

More specifically in Euroa, there is not adequate clearance under the Anderson Street Bridge and new infrastructure will be required to safely allow for double-stacked carriage trains. In Euroa, ARTC are progressing an underpass design solution.

11.4.5 Master Inland Rail Development Agreement – Australian Rail Track Corporation (cont.)

The Master Inland Rail Development Agreement (MIRDA) sets out the rules of engagement between Strathbogie Shire Council and the ARTC in order to successfully deliver the Inland Rail Programme, covering (but not limited to) the identification of assets impacted, returned works and standards to be used for the design, construction and handback of Council assets.

Following an extensive revision process including legal review, the final agreement is now developed. It is important to note that provisions within the agreement allow for amendments to occur throughout the life of the agreement. This report seeks Councils authorisation for the Chief Executive Officer to enter into the agreement.

ISSUES, OPTIONS AND DISCUSSION

The Master Inland Rail Development Agreement (MIRDA) sets out the rules of engagement between Strathbogie Shire Council and the ARTC in order to successfully deliver the Inland Rail Programme, covering (but not limited to) the identification of assets impacted, returned works and standards to be used for the design, construction and handback of Council assets.

The general obligation (by the parties) of the agreement acknowledge that the Project will have a number of significant interfaces with, and will impact upon, the Asset Owner, the Assets and the Land; and that both parties acknowledge that ARTC carries out its obligations under the MIRDA in a reasonably expeditious manner as well as provide all reasonable assistance, and co-operation with, each other and ARTC Contractor in relation to the Project and the MIRDA.

The agreement covers a number of subjects and sets an understanding about what each party will and won't do. Some of these subjects within the agreement include (but are not limited to):

- Approvals,
- Works Description,
- Project activities,
- Design information,
- Road use and degradation,
- Construction,
- Construction Environmental Management Plan,
- Completion,
- Handover,
- Defects Correction Period,
- Asset Owner Costs,
- Insurance, and
- Confidentiality.

The inland rail project will see the development and repurposing of several existing land parcels within the railway precinct area to meet the requirements of the new underpass solution. Certain land parcels will be required to not only meet the requirements of the new underpass design solution, but also meet current day standards for users of the precinct.

11.4.5 Master Inland Rail Development Agreement – Australian Rail Track Corporation (cont.)

It is important to note that Strathbogie Shire Council is in early discussions with the ARTC regarding asset allocation which includes future use/maintenance and ownership of parcels. The ultimate ownership of these assets (and associated maintenance obligations) is still under discussion by the respective land stakeholders and these discussions will continue as the project progresses. Council will not own any assets which are not directly on Council land or directly support the remit of Council business operations. In addition, ownership and associated maintenance obligations will also be considered within available financial resources.

Following an extensive revision process, the final agreement is now developed. It is important to note that provisions within the agreement allow for amendments to occur throughout the life of the agreement.

COMMUNITY ENGAGEMENT

One of the overarching governance principles in section 9 of *the Local Government Act 2020* is that the municipal community is to be engaged in strategic planning and strategic decision making.

There was no community consultation undertaken on the Master Inland Rail Development Agreement. This is a direct agreement between the ARTC and Strathbogie Shire Council.

POLICY CONSIDERATIONS

Council Plans and Policies

Strategic focus area 6: Accountable. Transparent. Responsible.

- Be financially responsible, achieving the greatest possible community benefit from the programs, initiatives and services we fund.

Regional, State and National Plans and Policies

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that regional, state and national plans and policies are to be taken into account in strategic planning and decision-making.

This agreement is a requirement of the ARTC's National Inland Rail Project. This agreement is specifically between the ARTC and Strathbogie Shire Council. Similar agreements are in place with other local government authorities where the Inland Rail Project is occurring.

LEGAL CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that Council decisions are to be made and actions taken in accordance with the relevant law.

This agreement has been subject to significant legal review undertaken by Council's appointed legal firm.

11.4.5 Master Inland Rail Development Agreement – Australian Rail Track Corporation (cont.)

Conflict of Interest Declaration

All officers, and/or contractors, involved in the preparation of this report have signed a written declaration that they do not have a conflict of interest in the subject matter of this report.

Transparency

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the transparency of Council decisions, actions and information is to be ensured.

This report is being presented in a public open meeting providing the opportunity to keep the community informed of the agreement that will exist between the parties.

FINANCIAL VIABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the ongoing financial viability of the Council is to be ensured.

Whilst the development of the Master Inland Rail Development Agreement has taken significant officer time and legal review, under the agreement, Council's costs are able to be reimbursed by the ARTC.

In addition, future costs incurred by Council under the agreement, will be reimbursed by the ARTC.

SUSTAINABILITY CONSIDERATIONS

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

Economic

The Inland Rail Project with the re-configuration of the current Anderson Street overpass has the potential to create significant economic enhancements for Euroa if considered carefully. These works have potential to place the township of Euroa in a far greater position to capture people passing the town via road or train to stay or visit Euroa as a destination of choice by enhancing a railway precinct to bring greater community economic benefit.

Social

The Inland Rail Project provides an opportunity to create greater accessibility and connectivity in the township of Euroa.

Environmental

The Inland Rail Project is required to consider a number of environmental elements and will be guided by an Environmental Management Framework and Environmental Performance Requirements.

Climate change

As highlighted above, the project will be guided by a number of environmental frameworks and processes.

11.4.5 Master Inland Rail Development Agreement – Australian Rail Track Corporation (cont.)

COLLABORATION

One of the overarching governance principles in section 9 of the *Local Government Act 2020* is that collaboration with other councils, levels of government and statutory bodies is to be sought.

During the negotiating period of the agreement, there was a high level of collaboration between both parties to ensure the best outcome.

HUMAN RIGHTS CONSIDERATIONS

There are no negative human rights considerations associated with this report.

CONCLUSION

The Master Inland Rail Development Agreement sets out the rules of engagement between Strathbogie Shire Council and the ARTC in order to successfully deliver the Inland Rail Programme, covering (but not limited to) the identification of assets impacted, returned works and standards to be used for the design, construction and handback of Council assets. Following an extensive revision process including legal review, this report seeks authorisation from the Council for the Chief Executive Officer to sign the Agreement.

ATTACHMENTS

Attachment 1: Master Inland Rail Development Agreement

11.5 GOVERNANCE AND CUSTOMER SERVICE

11.5.1 Monthly Performance Report

The February 2024 Monthly Performance Report includes reports as follows:-

- Building Department – December 2023 and January 2024 Statistics
- Planning Department – Planning Application Approvals – Development Cost (Capital Improved Value) – December 2023 and January 2024
- Customer Enquiry Analysis Report – Report for December 2023 and January 2024
- Waste Management Reporting ~ Year to Date – November and December 2023 and January 2024
- Transfer Station Data - December 2023 and January 2024
- Actioning of Council Reports Resolutions – Council Meeting Tuesday 12 December 2023, and Extraordinary Council Meetings on Tuesday 23 January 2024 and Tuesday 6 February 2024
- Outstanding Actions of Council Resolutions to 31 January 2024
- Review of Council Policies and Adoption of new Policies – December 2023/January 2024
- Records of Informal Council Briefings / Meetings – 1 to 31 December 2023 and 1 to 31 January 2024

By reporting on a monthly basis, Council can effectively manage any risks that may arise. The Business Management System will also incorporate Council's corporate goals and objectives.

RECOMMENDATION

That the report be accepted.

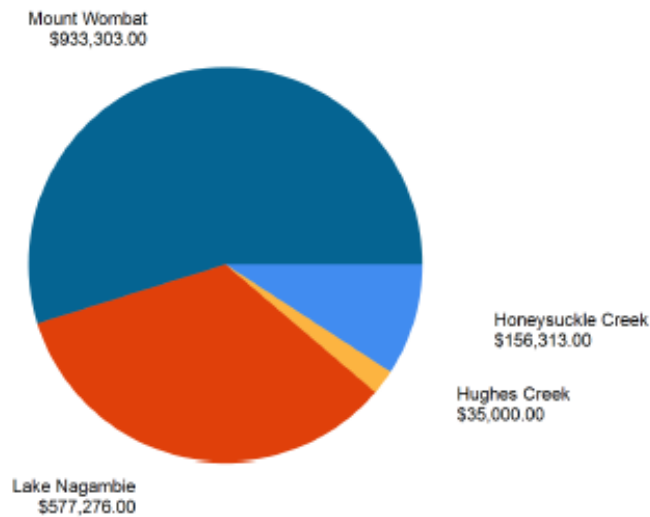
BUILDING ACTIVITY DECEMBER 2023



Building Activity

A report on new building permits recorded in Council's building permit register in December 2023

Ward	Number of Lodgements	Cost Of Works
Honeysuckle Creek	3	\$156,313.00
Hughes Creek	2	\$35,000.00
Lake Nagambie	3	\$577,276.00
Mount Wombat	2	\$933,303.00
	10	\$1,701,892.00



Honeysuckle Creek

Permit Number	Permit Date	Works	Building Use	Town	Cost Of Works
6409319392526	05/12/2023	Construction of	Shed	Boho	\$42,020.00
5852122702518	11/12/2023	Construction of	Farm Shed	Upotipotpon	\$104,293.00
5628072086033	22/12/2023	Demolition of	Dwelling	Violet Town	\$10,000.00
					\$156,313.00

Hughes Creek

Permit Number	Permit Date	Works	Building Use	Town	Cost Of Works
4145319130184	01/12/2023	Construction of	2 Shelters (Netball Courts)	Longwood	\$5,000.00
7389976866462	14/12/2023	Construction of	Outbuilding	Avenel	\$30,000.00
					\$35,000.00

Lake Nagambie

Permit Number	Permit Date	Works	Building Use	Town	Cost Of Works
4185083869883	01/12/2023	Construction of	Dwelling & Garage	Kirwans Bridge	\$450,000.00
1746586670376	12/12/2023	Construction of	Patio	Nagambie	\$30,456.00
8890370809163	21/12/2023	Construction of	Shed	Nagambie	\$96,820.00
					\$577,276.00

Mount Wombat

Permit Number	Permit Date	Works	Building Use	Town	Cost Of Works
7866231280561	07/12/2023	Construction of	Dwelling	Euroa	\$899,303.00
1891405277602	14/12/2023	Construction of	Shed	Strathbogie	\$34,000.00
					\$933,303.00

BUILDING ACTIVITY JANUARY 2024



Building Activity

A report on new building permits recorded in Council's building permit register in January 2024

Ward	Number of Lodgements	Cost Of Works
Honeysuckle Creek	1	\$76,520.00
Lake Nagambie	4	\$646,065.00
Mount Wombat	2	\$31,310.00
	7	\$753,895.00



Honeysuckle Creek

Permit Number	Permit Date	Works	Building Use	Town	Cost Of Works
7550287598503	24/01/2024	Construction of	Farm Shed	Violet Town	\$76,520.00
					\$76,520.00

Lake Nagambie

Permit Number	Permit Date	Works	Building Use	Town	Cost Of Works
5975085603051	09/01/2024	Construction of	Dwelling & Garage	Nagambie	\$295,421.00
4764979722064	15/01/2024	Restump of	Dwelling	Nagambie	\$22,800.00
9382885506945	24/01/2024	Construction of	Dwelling & Garage	Nagambie	\$308,544.00
9765742789731	29/01/2024	Demolition of	Dwelling	Nagambie	\$19,300.00
					\$646,065.00

Mount Wombat

Permit Number	Permit Date	Works	Building Use	Town	Cost Of Works
5724418611854	24/01/2024	Construction of	Swimming Pool Barrier	Longwood East	\$1,600.00
2615530126785	24/01/2024	Restump of	Dwelling	Strathbogie	\$29,710.00
					\$31,310.00

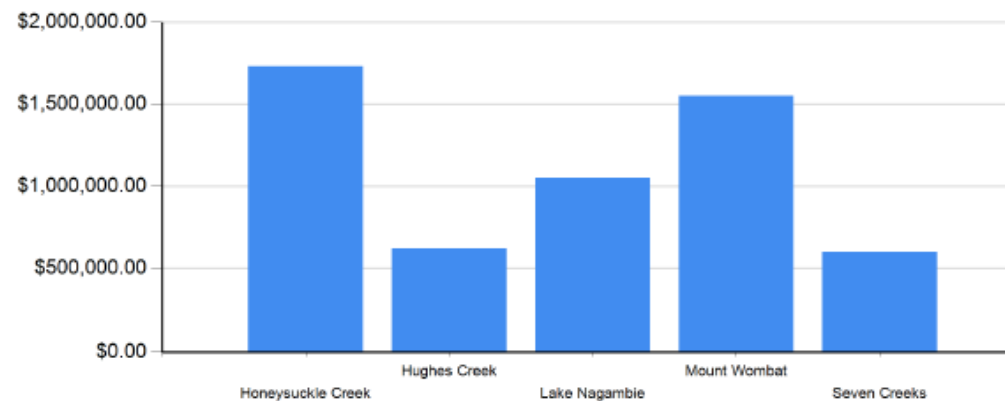
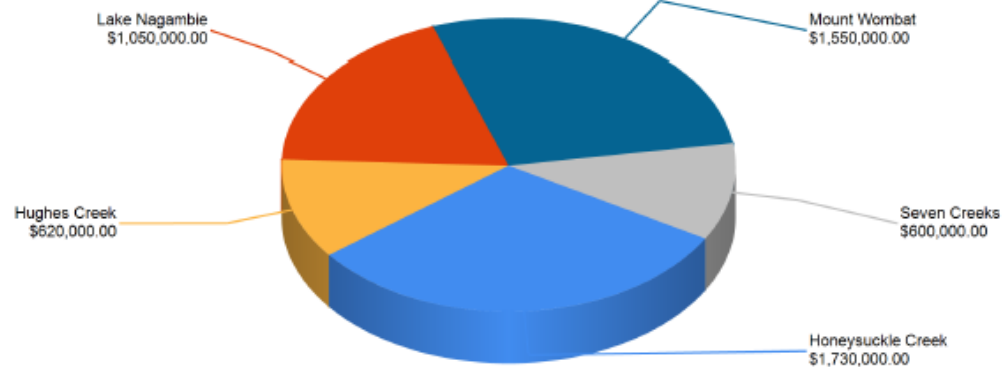
PLANNING APPLICATION APPROVALS – DEVELOPMENT COST (CAPITAL IMPROVED VALUE)
DECEMBER 2023



Planning Applications Determined

December 2023

Honeysuckle Creek	\$1,730,000.00
Boho South	\$80,000.00
Marraweeney	\$700,000.00
Violet Town	\$350,000.00
Violet Town	\$600,000.00
Hughes Creek	\$620,000.00
Avenel	\$620,000.00
Lake Nagambie	\$1,050,000.00
Graytown	\$100,000.00
Mangalore	\$950,000.00
Mount Wombat	\$1,550,000.00
Euroa	\$450,000.00
Strathbogie	\$880,000.00
Strathbogie	\$220,000.00
Seven Creeks	\$600,000.00
Euroa	\$600,000.00
Total Value	\$5,550,000.00



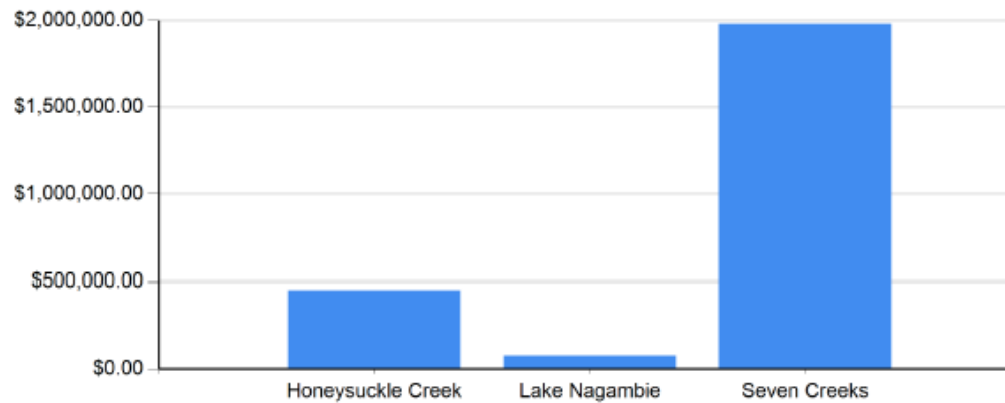
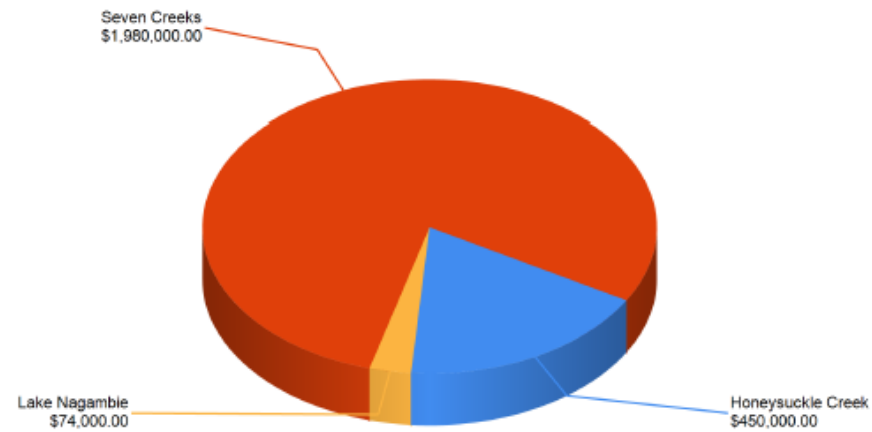
PLANNING APPLICATION APPROVALS – DEVELOPMENT COST (CAPITAL IMPROVED VALUE)
JANUARY 2024



Planning Applications Determined

January 2024

Honeysuckle Creek	\$450,000.00
Boho South	\$300,000.00
Miepoll	\$150,000.00
Lake Nagambie	\$74,000.00
Tabilk	\$74,000.00
Seven Creeks	\$1,980,000.00
Euroa	\$480,000.00
Euroa	\$1,500,000.00
Total Value	\$2,504,000.00



CUSTOMER ENQUIRY ANALYSIS REPORT **- REPORT FOR DECEMBER 2023**



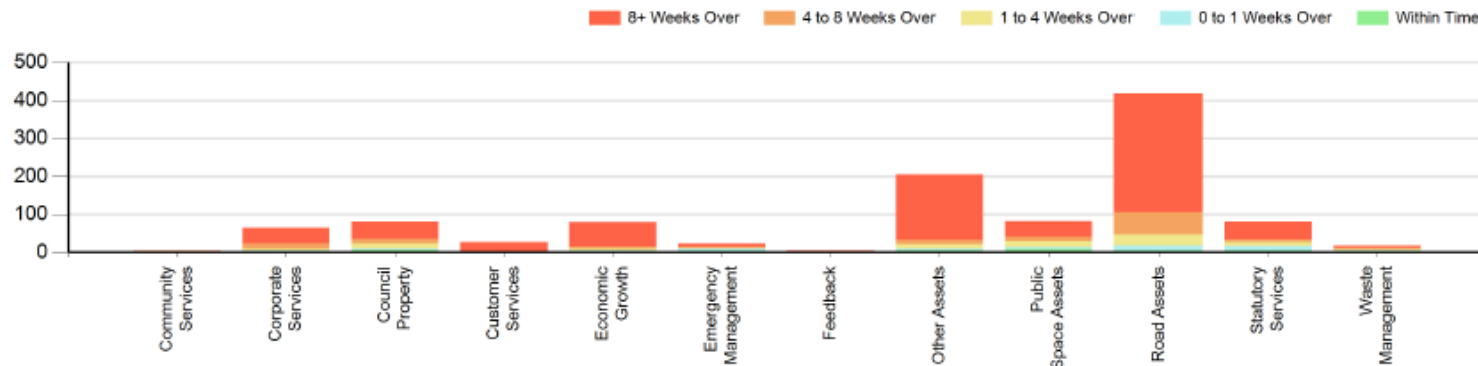
Request Throughput Analysis

01/12/2023 to 31/12/2023

C N	Complete / New	> 80%	50-80%	< 50%
	Overdue / Remaining	< 33%	34-70%	> 70%

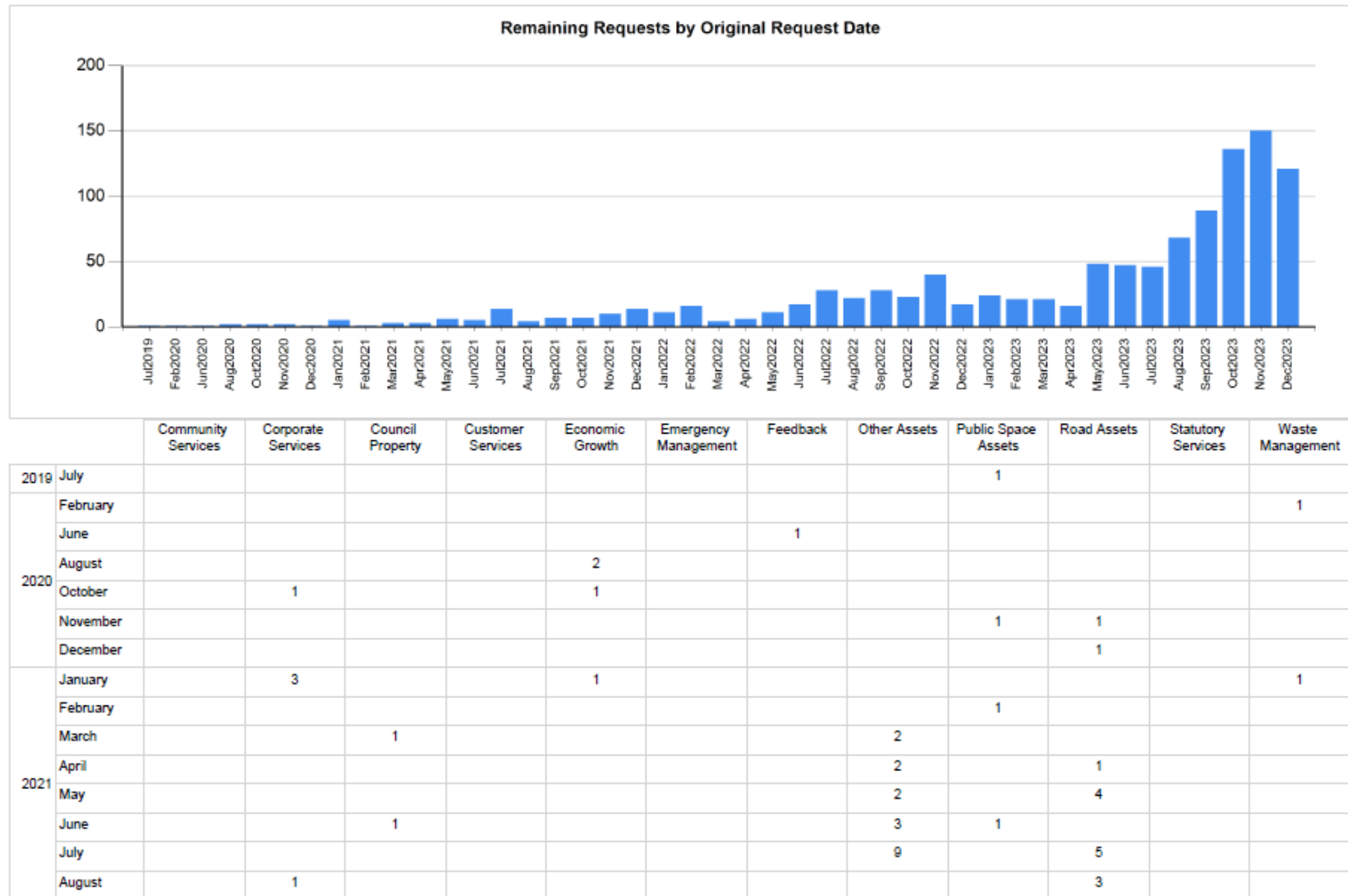
Service Area	Existing Requests	New Requests	Completed Requests	Remaining Requests	C N	Within Time	Over Time	O R	Pending Resources	Service Area Usage
Community Services	6	24	26	4	✓	0	4	✗	0	
Corporate Services	71	52	57	64	✓	0	64	✗	2	
Council Property	90	51	60	81	✓	6	75	✗	0	
Customer Services	27	3	3	27	✓	0	27	✗	0	
Economic Growth	80	96	97	79	✓	0	79	✗	0	
Emergency Management	20	48	45	23	✓	3	20	✗	0	
Feedback	4	3	2	5	⚠	0	5	✗	0	
Other Assets	199	17	11	205	⚠	4	201	✗	0	
Public Space Assets	86	41	37	82	✓	8	74	✗	8	
Road Assets	433	50	63	419	✓	5	414	✗	1	
Statutory Services	88	102	109	81	✓	5	76	✗	0	
Waste Management	27	48	57	18	✓	0	17	✗	0	
Total	1131	535	567	1088		31	1056		11	

Request Ageing



Service Usage








2021	September			1	1	1			1	1	2		
	October			2						2	3		
	November			1					1		8		
	December			1			1		4		8		
2022	January		5	1					1	2	2		
	February			1					4	3	8		
	March			1						1	2		
	April			1					2		3		
	May		1						3	1	4	1	1
	June		1	1					5		9	1	
	July	1		5	1	1			3		16	1	
	August			2	2	2			9	1	3	3	
	September		1		3	1		1	7	2	11	2	
	October				1	3			10		6	3	
	November				5	5			12	1	13	4	
	December		1			2			3		6	5	
2023	January		1		8	1	4		1	1	7	1	
	February		1	1		5			2	2	7	3	
	March		4	1				1	3		10	1	1
	April		1			1				4	8	2	
	May		5	6	1	10			10	3	10	3	
	June		2	2		3			19	2	19		
	July		2	3	1	4			13	3	16	4	
	August		2	8	3	1	1		10	3	34	6	
	September		5	4		8			10	6	53	3	
	October		7	6		15	3		27	9	59	8	2
	November	1	12	18		5	3	1	16	21	54	13	6
	December	2	10	13	1	7	11	1	11	18	24	17	6
Total		4	66	81	27	79	23	5	205	90	420	81	18

Definitions




Service Area	Grouping of services by area of responsibility
Existing	Requests open prior to reporting period
New	Requests made during reporting period
Within Time	Remaining Requests where defined deadline is after reporting period
Pending Resources	Requests where additional resources are required to continue. This includes labour, materials, and financial resources.

Complete New An indicator showing the ratio of Completed requests and New requests. Designed to represent how well we are keeping up with the demand for a service.

			
$\frac{C}{N}$ Complete / New	> 80%	50-80%	< 50%

Service	Activities that provide value to the customer
Remaining	Requests incomplete at end of reporting period
Completed	Requests completed during reporting period
Over Time	Remaining Requests where defined deadline is before the end of the reporting period

Overdue Remaining An indicator showing the ratio of Overdue requests and Remaining requests. Designed to represent how well we are keeping to the defined deadlines.

			
$\frac{O}{R}$ Overdue / Remaining	< 33%	34-70%	> 70%

CUSTOMER ENQUIRY ANALYSIS REPORT - REPORT FOR JANUARY 2024



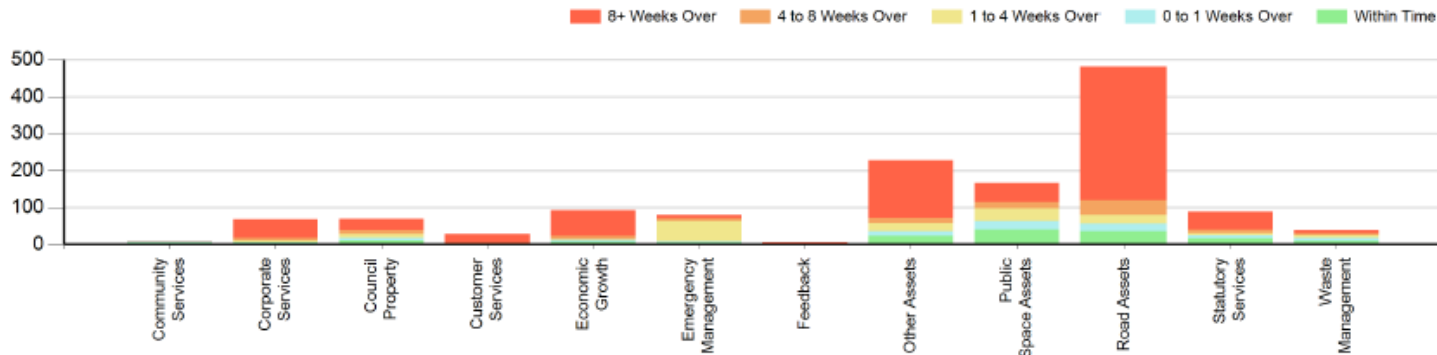
Request Throughput Analysis

01/01/2024 to 31/01/2024

Legend	Complete / New	✔ > 80%	⚠ 50-80%	✘ < 50%
	Overdue / Remaining	< 33%	34-70%	> 70%

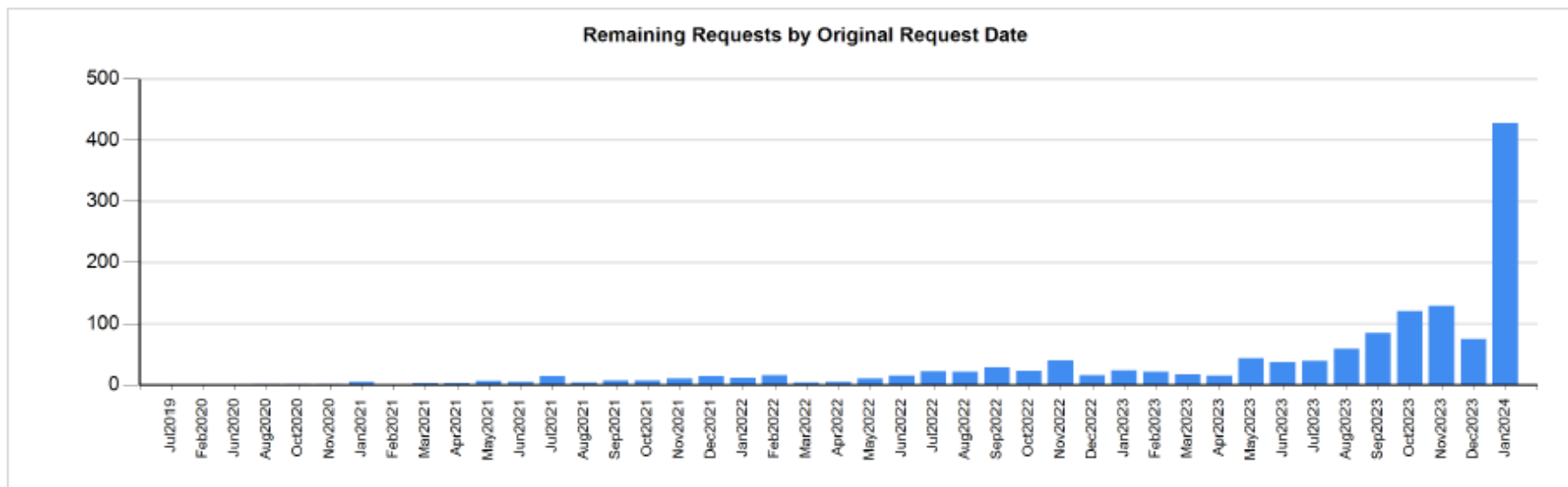
Service Area	Existing Requests	New Requests	Completed Requests	Remaining Requests	C N	Within Time	Over Time	Q R	Pending Resources	Service Area Usage
Community Services	4	57	50	11	✔	5	6	⚠	0	<div style="width: 10%;"></div>
Corporate Services	66	34	31	69	✔	4	65	✘	0	<div style="width: 5%;"></div>
Council Property	81	87	97	71	✔	11	60	✘	0	<div style="width: 20%;"></div>
Customer Services	27	9	7	29	✔	2	27	✘	0	<div style="width: 2%;"></div>
Economic Growth	79	105	92	92	✔	7	85	✘	0	<div style="width: 25%;"></div>
Emergency Management	23	215	155	82	⚠	4	78	✘	1	<div style="width: 80%;"></div>
Feedback	5	4	3	6	✔	1	5	✘	0	<div style="width: 1%;"></div>
Other Assets	207	93	71	229	⚠	23	206	✘	0	<div style="width: 30%;"></div>
Public Space Assets	90	172	85	170	✘	39	129	✘	7	<div style="width: 60%;"></div>
Road Assets	420	125	55	489	✘	35	454	✘	1	<div style="width: 50%;"></div>
Statutory Services	82	128	120	90	✔	16	74	✘	0	<div style="width: 40%;"></div>
Waste Management	18	84	58	44	⚠	9	30	⚠	0	<div style="width: 20%;"></div>
Total	1102	1113	824	1382		156	1219		9	

Request Ageing



Service Usage

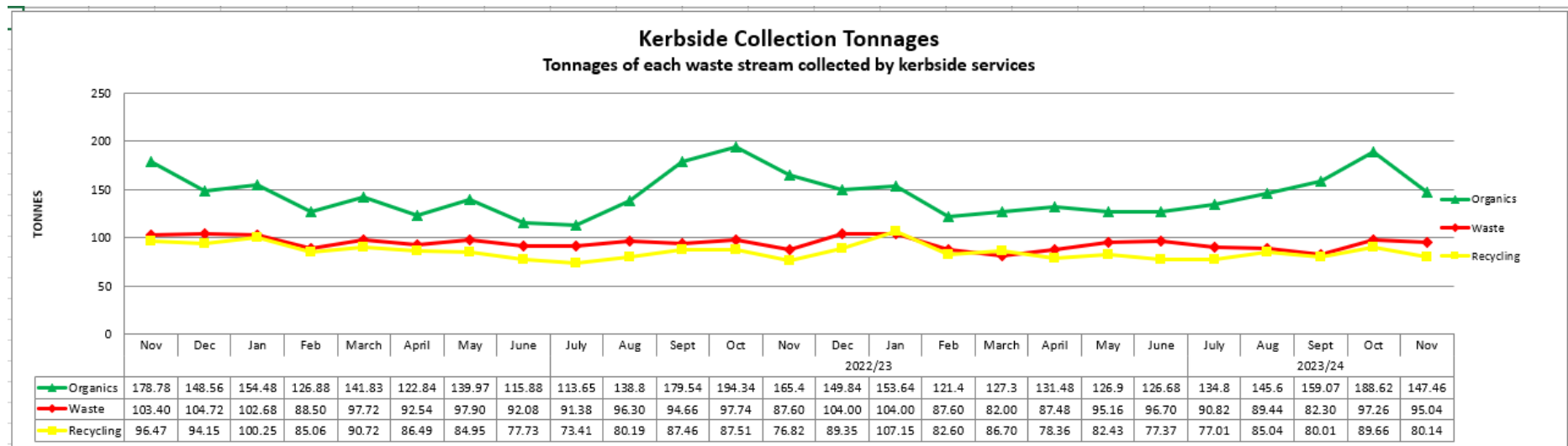


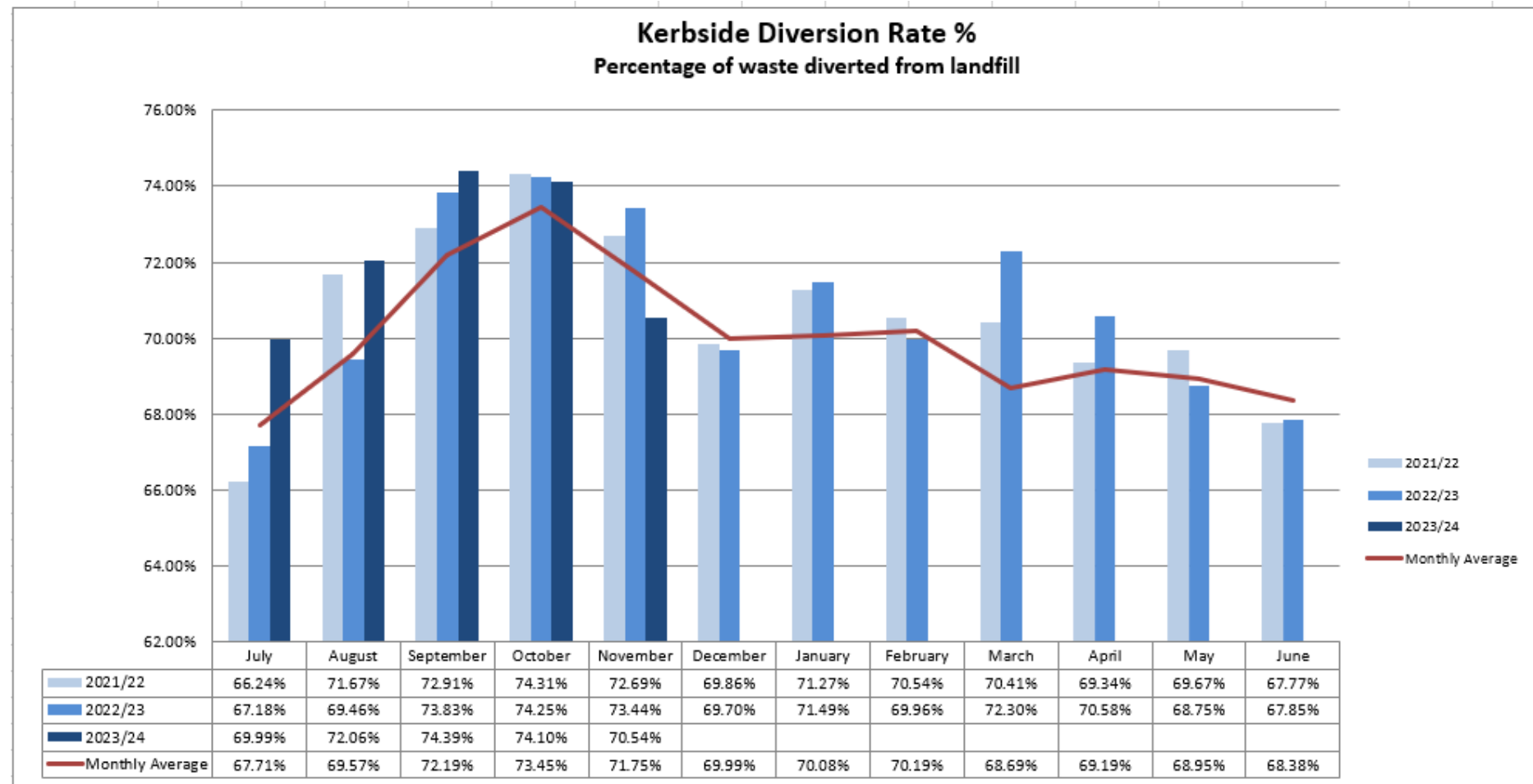


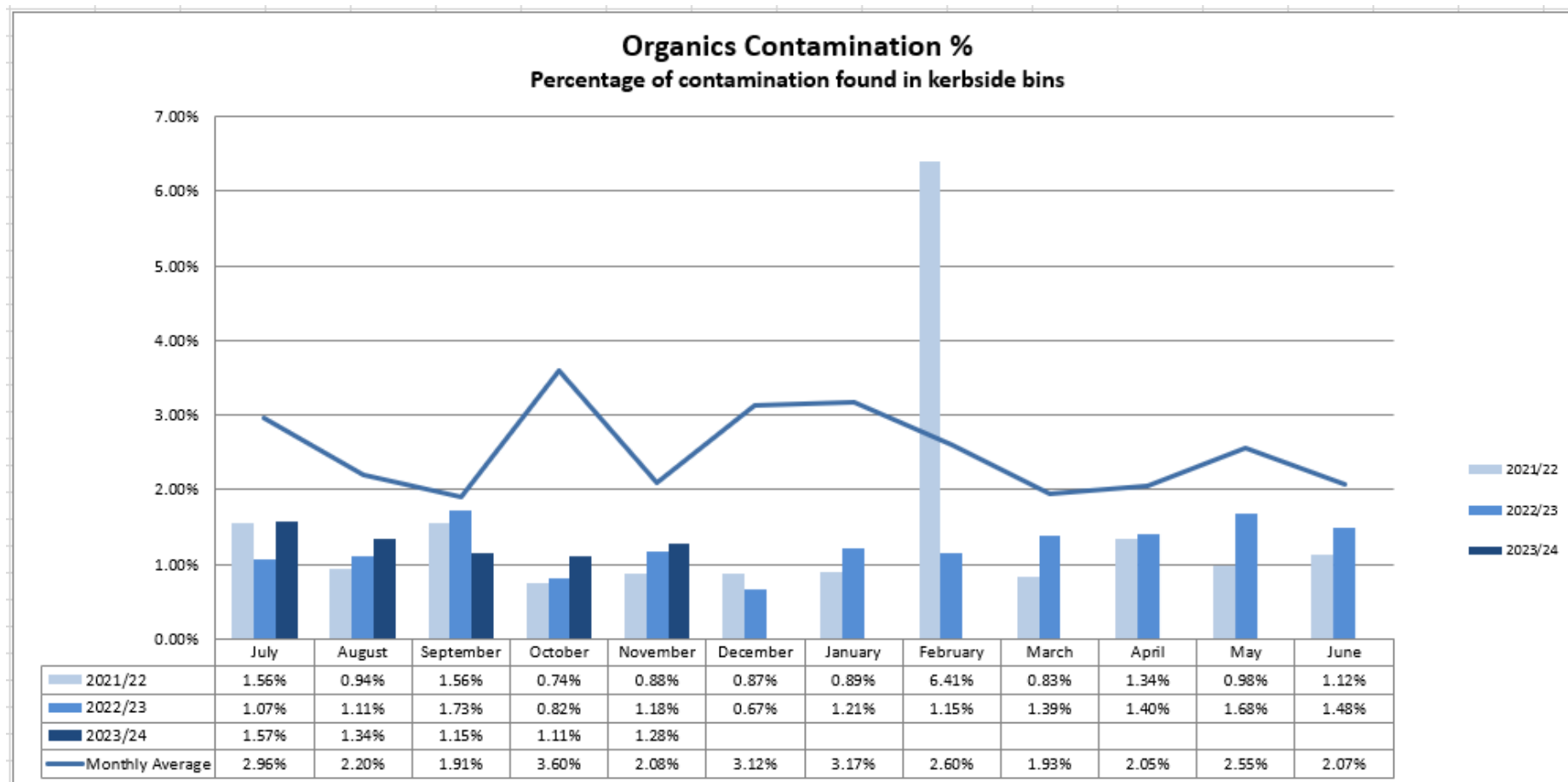
		Community Services	Corporate Services	Council Property	Customer Services	Economic Growth	Emergency Management	Feedback	Other Assets	Public Space Assets	Road Assets	Statutory Services	Waste Management
2019	July									1			
2020	February												1
	June							1					
	August					2							
	October		1			1							
	November									1	1		
2021	January		3			1							1
	February									1			
	March			1					2				
	April								2		1		
	May								2		4		
	June			1					3	1			
	July								9		5		
	August		1								3		
	September			1	1	1			1	1	2		

2021	October			2					2	3			
	November			1				1		8			
	December			1			1	4		8			
2022	January		5	1				1	2	2			
	February			1				4	3	8			
	March			1					1	2			
	April							2		3			
	May		1					2	1	4	1	1	
	June							5		9	1		
	July	1			1	1		3		16			
	August			1	2	2		9	1	3	3		
	September		1		3	1		1	7	2	11	2	
	October				1	3			10		6	3	
	November				5	5			12	1	13	4	
	December		1			2			3		6	4	
2023	January		1		8	1	4		1	1	7	1	
	February		1	1		5			2	2	7	3	
	March		4					1	3		7	1	1
	April		1			1				4	7	2	
	May		4	2	1	10			10	3	10	3	
	June		1	1		3			11	2	19		
	July		2	1	1	4			9	2	16	4	
	August		2	6	2	1	1		7	3	33	4	
	September		5	2		8			9	6	52	3	
	October		7	2		14	3		20	8	57	8	1
	November		12	11		5	3	1	13	17	54	7	6
	December	1	6	5	1	7	7	1	4	13	21	6	3
2024	January	9	10	29	3	14	64	1	58	98	82	30	30
Total		11	69	71	29	92	83	6	229	177	490	90	44

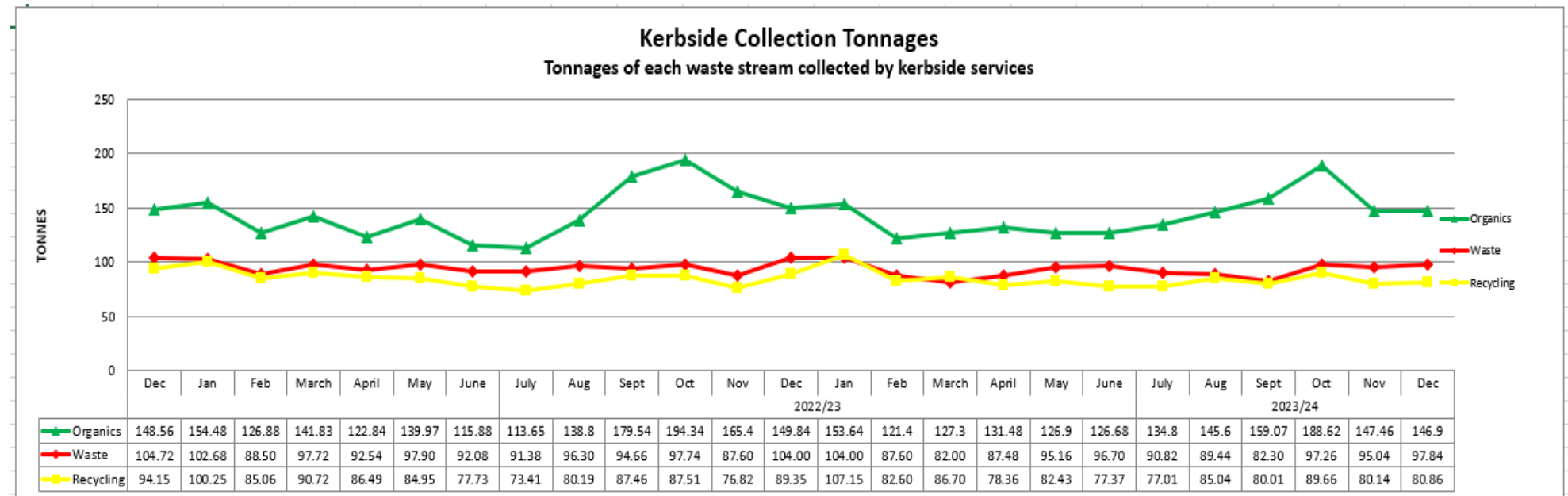
WASTE MANAGEMENT REPORTING **DATA FOR NOVEMBER 2023**

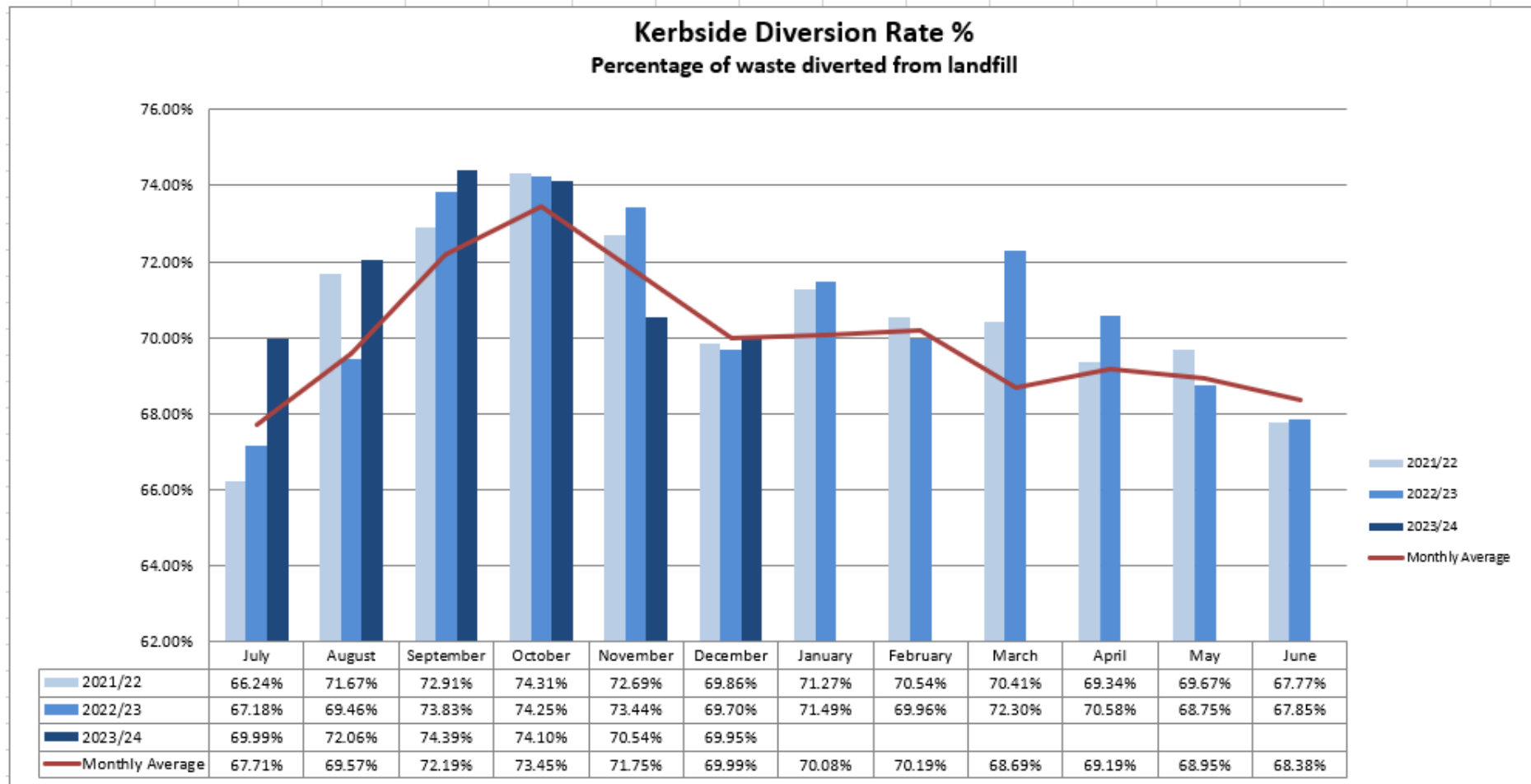


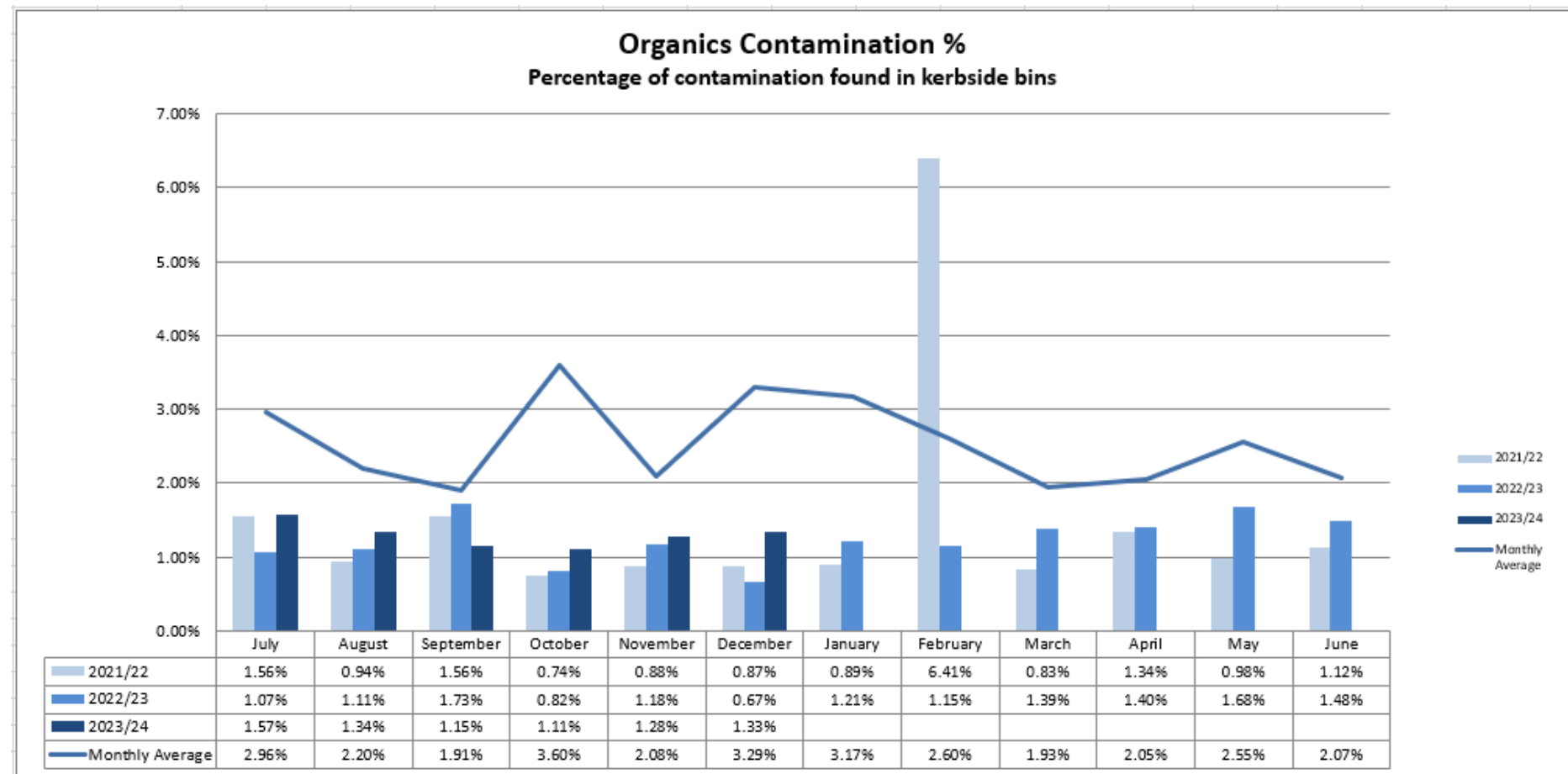




WASTE MANAGEMENT REPORTING **YEAR TO DATE - DECEMBER 2023**



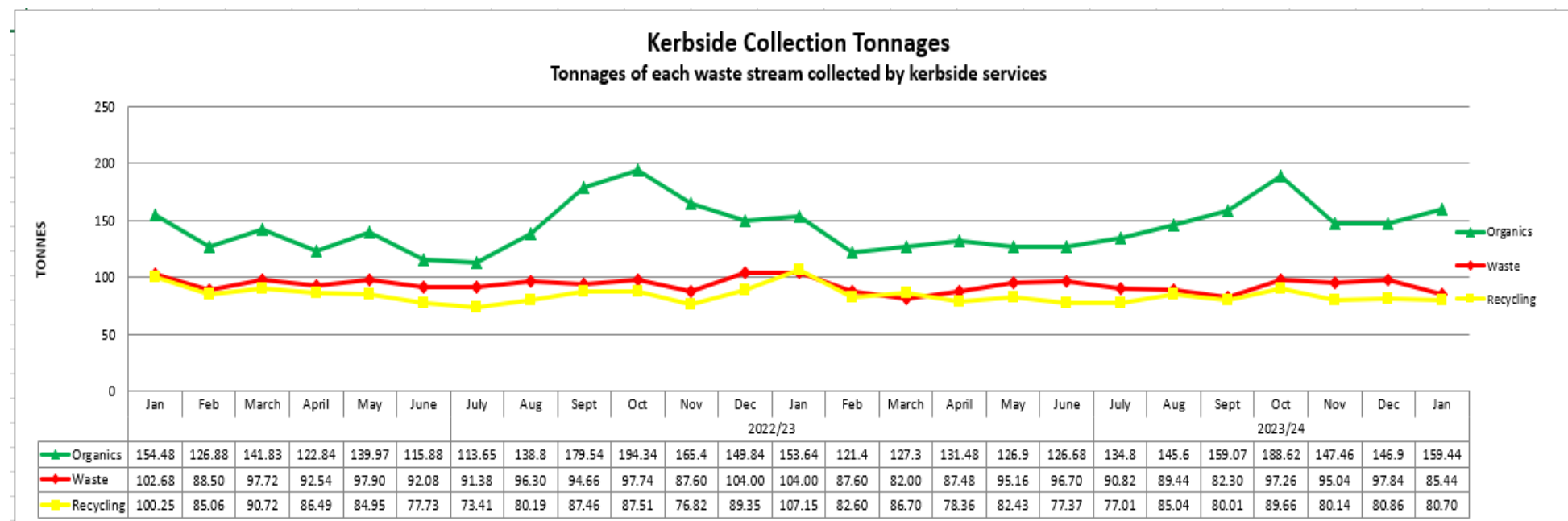


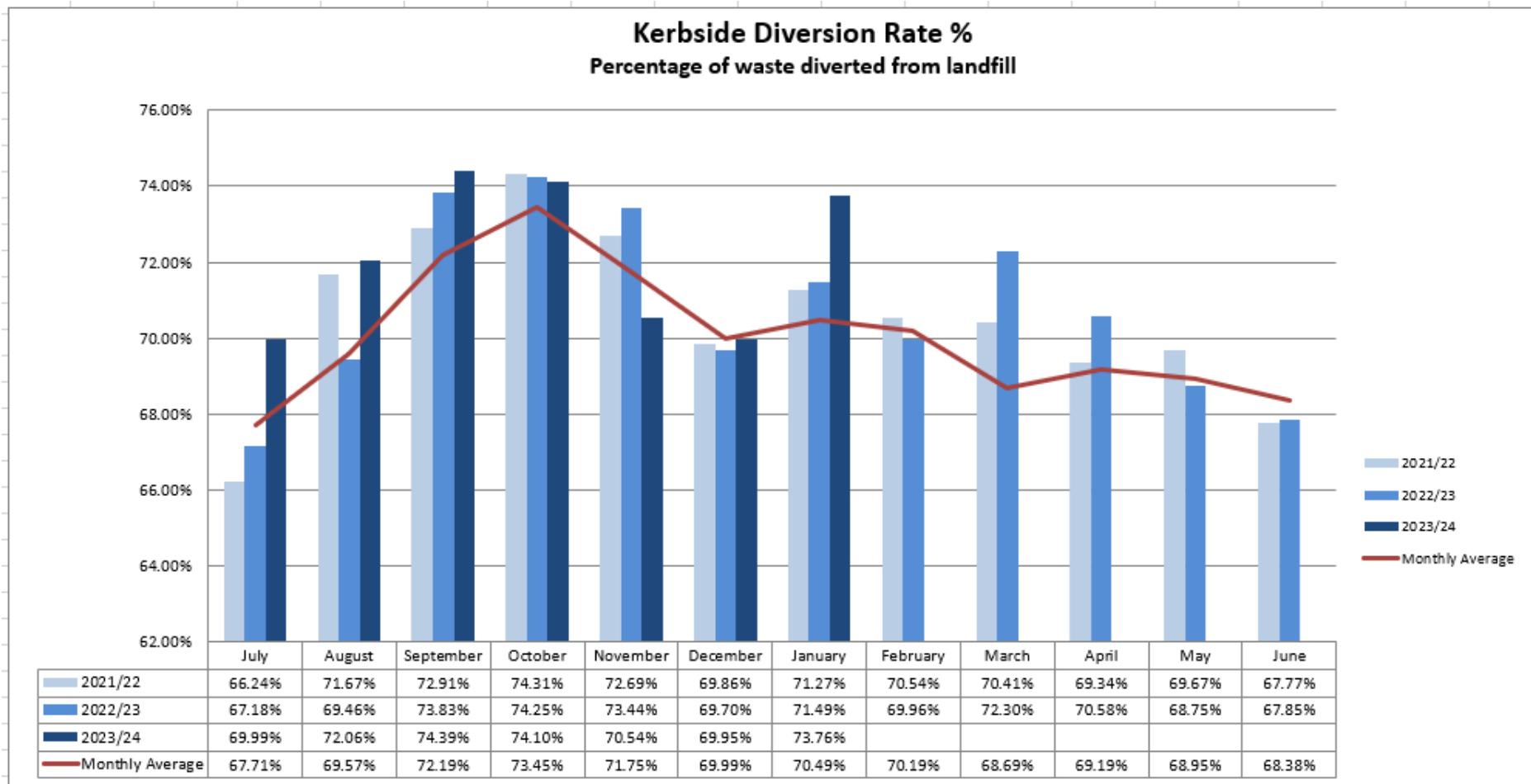


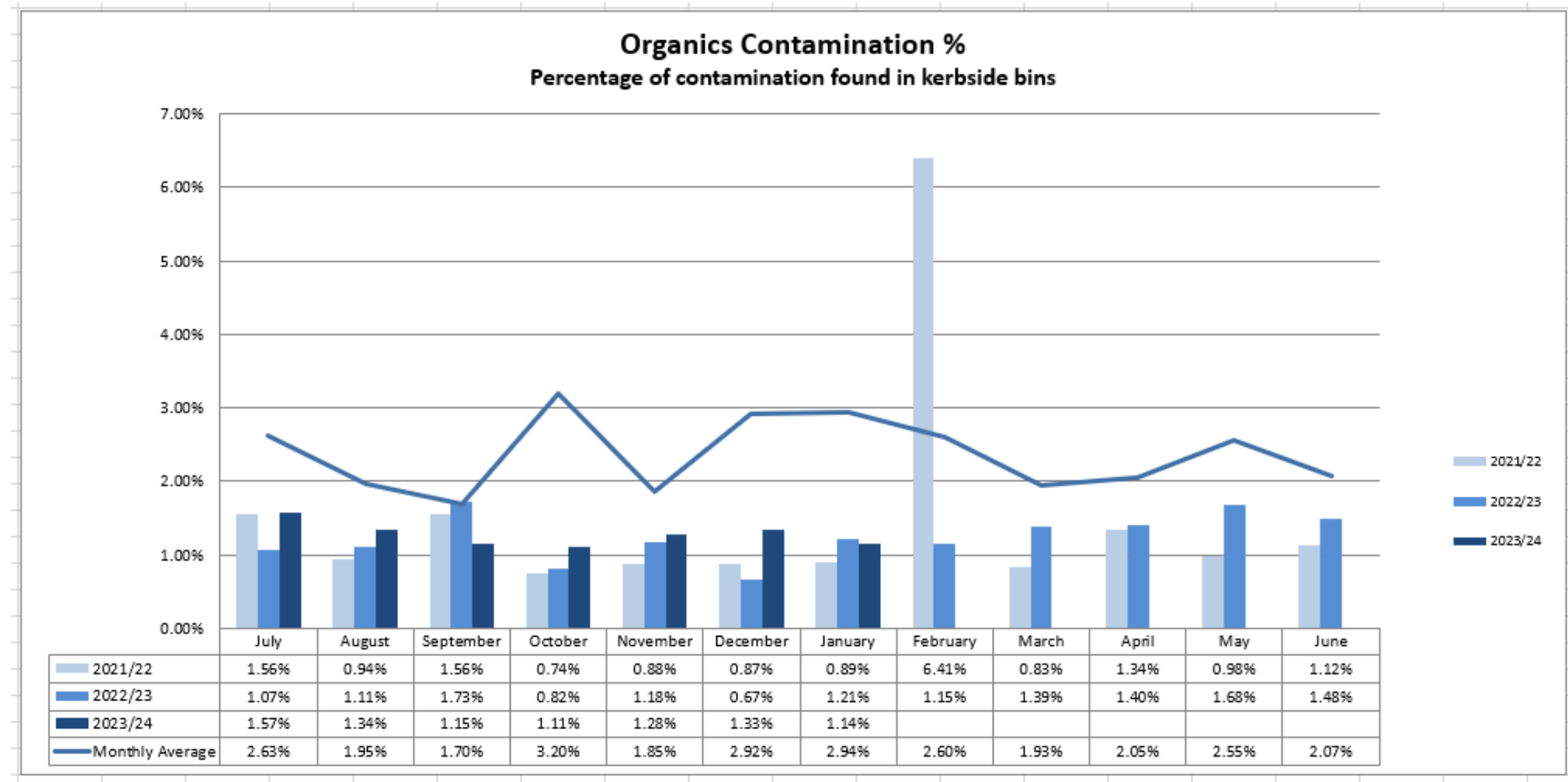
TRANSFER STATION DATA – DECEMBER 2023



WASTE MANAGEMENT REPORTING **DATA FOR JANUARY 2024**



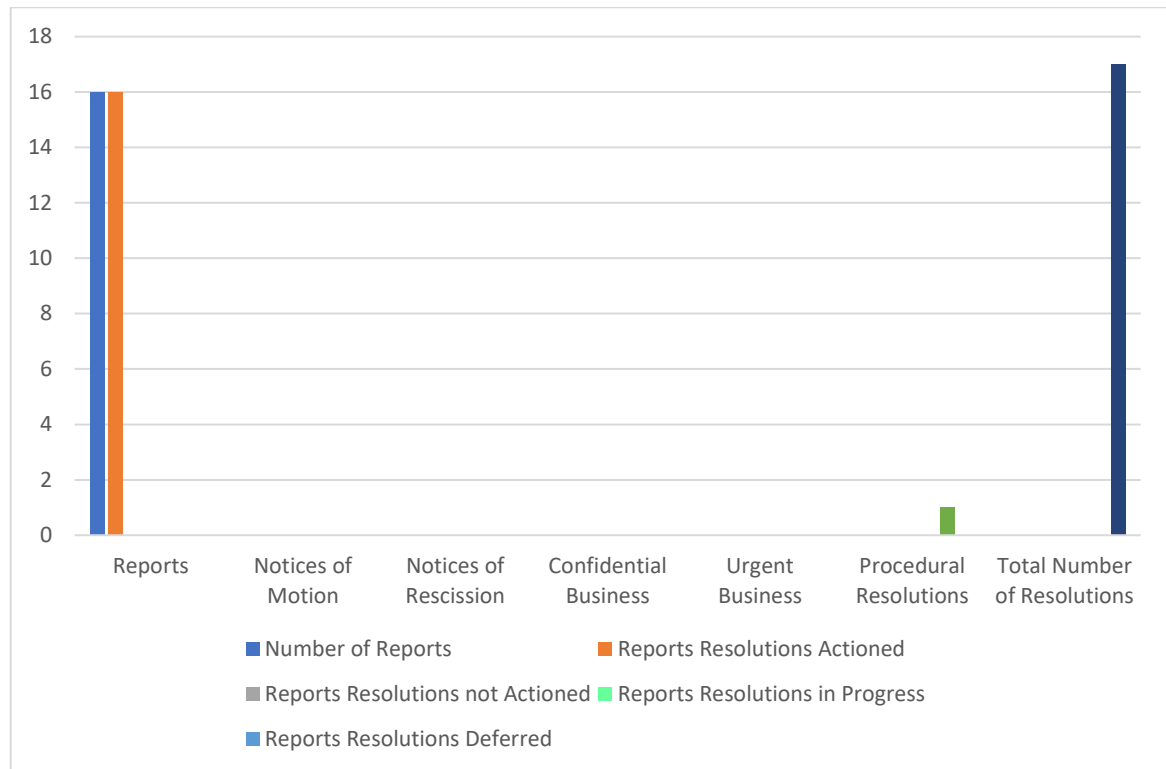




TRANSFER STATION DATA – JANUARY 2024



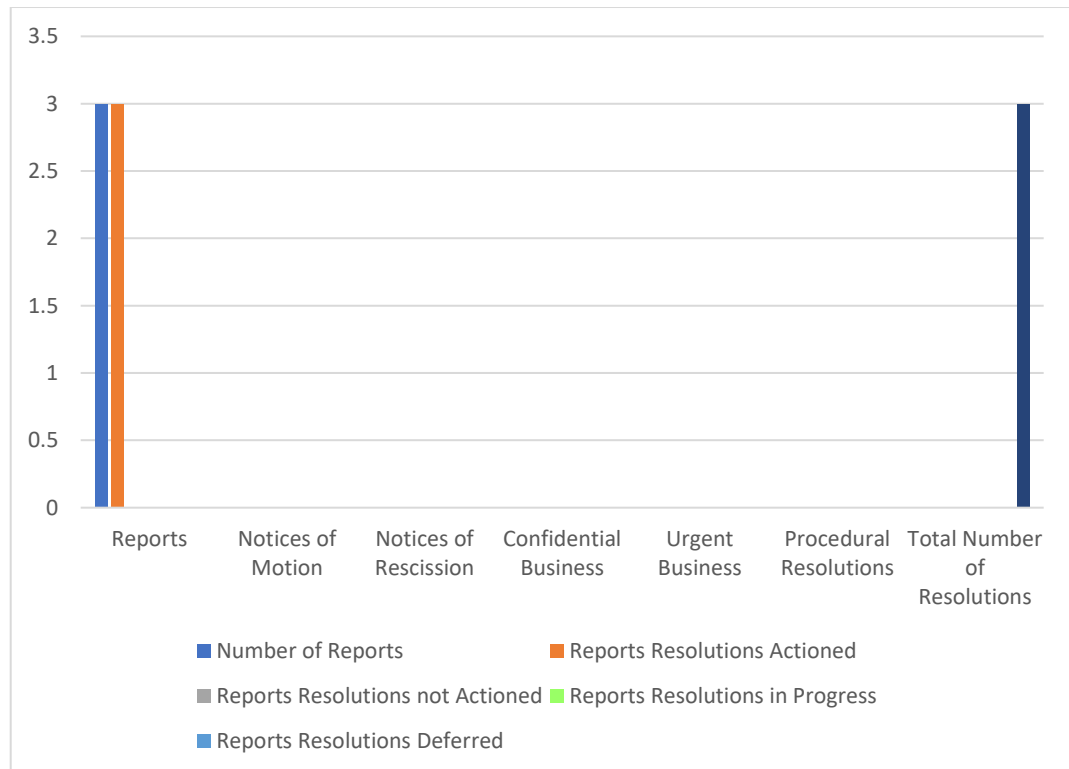
ACTIONING OF COUNCIL REPORTS RESOLUTIONS
COUNCIL MEETING – DECEMBER 12, 2023



ACTIONING OF COUNCIL REPORTS RESOLUTIONS
EXTRAORDINARY COUNCIL MEETING – JANUARY 23, 2024



ACTIONING OF COUNCIL REPORTS RESOLUTIONS
EXTRAORDINARY COUNCIL MEETING – FEBRUARY 6, 2024



**OUTSTANDING ACTIONS OF COUNCIL RESOLUTIONS TO
31 JANUARY 2024**

This Report is to advise the Councillors, Executive Leadership Team and the community of the status of previous Council resolutions which are in progress but are yet to be finalised.

Council Meeting Date	Item No.	Description
Nil		

**REVIEW OF EXISTING COUNCIL POLICIES
AND ADOPTION OF NEW POLICIES**

Review of Policy / New Policy	Policy Name	Details
Nil		

RECORDS OF INFORMAL COUNCIL BRIEFINGS / MEETINGS**FOR PERIOD 1 DECEMBER 2023 TO 31 JANUARY 2024**

Record in accordance with Council's Public Transparency Policy 2020

Note: Details of matters discussed at the meeting that have been designated confidential under Rule 103 of the Governance Rules and sections 3 and 125 of the LG Act 2020 are described in a separate "confidential addendum" that will be reported to the next closed Council meeting

Name of Meeting: Informal Council Briefings / Meetings

Date of Meeting: Tuesday 5 December 2023

Location: Euroa Community Conference Centre

Time: 10.00 am – 3.45 pm

Attendees:

Councillors

Cr Laura Binks (Mayor)

Cr Paul Murray (Deputy Mayor)

Cr Sally Hayes-Burke

Cr Chris Raeburn

Cr Robin Weatherald

Officers

Julie Salomon (Chief Executive Officer)

Amanda Tingay (Acting Director People and Governance)

John Harvey (Director Sustainable Infrastructure)

Rachael Frampton (Acting Director Community and Planning)

Phillip Carruthers (Governance Advisor)

Apologies:

Nil

1. Councillor discussions – re: Elections to Office
2. Kirwans Bridge Community Group Presentation
3. Project Briefing/Update
4. Review of draft Council Meeting Agenda/ Confidential Appendices
5. Euroa Railway Station Goods Shed and Precinct Design – request from Euroa Connect

Declaration of Interest/s under *Local Government Act 2020* (General Conflict of Interest - Section 127 / Material Conflict of Interest – Section 128)

Councillor/s – NIL

Officer/s - NIL

Record of Informal Council Briefings / Meetings

Record in accordance with Council's Public Transparency Policy 2020

Note: Details of matters discussed at the meeting that have been designated confidential under Rule 103 of the Governance Rules and sections 3 and 125 of the Local Government Act 2020 are described in a separate "confidential addendum" that will be reported to the next closed Council meeting

Name of Meeting: Informal Council Briefings / Meetings

Date of Meeting: Tuesday 12 December 2023

Location: Euroa Community Conference Centre

Time: 6.00 pm – 7.04 pm

Attendees:

Interim Administrator
Peter Stephenson

Officers

Amanda Tingay (Acting Chief Executive Officer)
John Harvey (Director Sustainable Infrastructure)
Rachael Frampton (Acting Director Community and Planning)

Apologies:

Julie Salomon (Chief Executive Officer)

1. December 2023 Council Meeting

Declaration of Interest/s under *Local Government Act 2020* (General Conflict of Interest - Section 127 / Material Conflict of Interest – Section 128)

Officer/s - NIL

Record of Informal Council Briefings / Meetings

Record in accordance with Council's Public Transparency Policy 2020

Note: Details of matters discussed at the meeting that have been designated confidential under Rule 103 of the Governance Rules and sections 3 and 125 of the Local Government Act 2020 are described in a separate "confidential addendum" that will be reported to the next closed Council meeting

Name of Meeting: Informal Council Briefings / Meetings

Date of Meeting: Tuesday 23 January 2024

Location: Euroa Community Conference Centre

Time: 3.00 pm – 6.40 pm

Attendees:

Interim Administrator

Peter Stephenson

Officers

Julie Salomon (Chief Executive Officer)

John Harvey (Director Sustainable Infrastructure)

Apologies:

Amanda Tingay (Acting Director People and Governance)

Rachael Frampton (Acting Director Community and Planning)

1. Citizenship Ceremonies
2. Extraordinary Council Meeting

Declaration of Interest/s under *Local Government Act 2020* (General Conflict of Interest - Section 127 / Material Conflict of Interest – Section 128)

Officer/s - NIL

12. NOTICES OF MOTION**13. NOTICES OF RESCISSION****14. URGENT BUSINESS****15. CONFIDENTIAL BUSINESS****Confidential Appendices**

These appendices have been classified as being confidential in accordance with section 66(2)(a) and Part 1, section 3 of the *Local Government Act 2020* as they relate to:

- (g) *private commercial information, being information provided by a business, commercial or financial undertaking that –*
 - (ii) *if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage*

C.A. 1 (g) Tender Evaluation for Contract 23/24-35:
Euroa Civic Centre Toilets Upgrade

NEXT MEETING

The next monthly meeting of the Strathbogie Shire Council is scheduled to be held on Tuesday, March 19 2024, at the Euroa Community Conference Centre, at 6pm.

THERE BEING NO FURTHER BUSINESS, THE MEETING CLOSED AT..... P.M.