



AGENDA  
of the  
SCHEDULED MEETING OF COUNCIL

Wednesday 23 June 2021

at

Murrindindi Shire Council  
Zoom  
Virtual Meeting  
Videoconference

6:00 PM

This Scheduled Meeting of Council will be conducted virtually  
(as per *COVID-19 Omnibus (Emergency Measures) Act 2020*,  
passed by Victorian Parliament on 23 April 2020)

Audio recordings of all Council meetings are taken by Council's Governance Officers  
and published on Council's website (Resolution of Council 23 January 2019)

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**1 PLEDGE AND RECONCILIATION STATEMENT****2 APOLOGIES AND REQUEST FOR LEAVE OF ABSENCE****3 COMMUNITY RECOGNITION****4 DISCLOSURES OF INTEREST OR CONFLICT OF INTEREST****5 CONFIRMATION OF MINUTES**

5.1 Minutes of the Scheduled Meeting of Council held on 26 May 2021.

**Officer Recommendation**

**That Council confirm the minutes of the 26 May 2021 Scheduled Meeting of Council.**

5.2 Minutes of the Unscheduled Meeting of Council held on 9 June 2021.

**Officer Recommendation**

**That Council confirm the minutes of the 9 June 2021 Unscheduled Meeting of Council.**

**6 PETITIONS****7 PUBLIC PARTICIPATION****7.1 Mayoral & Councillor Allowances - Hearing of Submissions**

The Mayor will invite each submitter to speak for 5 minutes.

**7.2 Open Forum****7.3 Questions of Council****8 OUR PLACE****8.1 Alexandra Landfill**

Attachment(s): Nil

**Purpose**

This report seeks a resolution on the future of the Alexandra Landfill. It provides context and background, and presents the outcomes of investigations undertaken to assess the viability of using the Alexandra Landfill as a final disposal location for residual waste generated in Murrindindi Shire.

The report presents two key options:

**Option A:** That Council continues the development and use of the Alexandra landfill beyond its current life span to the maximum lifespan of the landfill (approx. 30 years)

**Option B:** That Council seeks to close the site and pursues alternative arrangements for the disposal of residual waste.

Within each option a range of scenarios are considered and compared. Extensive investigations have sought to identify the best outcome for the community, taking account of diverse financial, environmental and social factors, and with consideration of state policy objectives and advice from the Goulburn Valley Waste and Resource Recovery Group.

### **Officer Recommendation**

**That Council resolve to continue operations of the Alexandra Landfill into the Western Valley, designing the landfill for its maximum lifespan, whilst carrying out construction of landfill cells in a staged approach (Option A in this report).**

### **Background**

The Alexandra Landfill is owned and operated by Murrindindi Shire Council. It is operated under strict conditions required by EPA licence 12039, which includes regular audits. The auditor has noted that the site operations are being “managed well” and is having minimal environmental impact.

The site is a “gully fill” type of landfill in a Y-shaped valley. Cells have been constructed in the eastern valley, and there is approval to construct further cells in the western valley. The current cells in the eastern valley are approaching capacity, with an estimated 2 to 3 years of volume remaining. The western valley is undeveloped and is estimated to have approximately 30 years of filling space available depending on design and incoming waste volumes. The EPA has approved master plans to develop the western valley and continue landfilling of residual waste at the site.

The cost of construction and continued operation of landfilling in the new western cells is estimated to cost approximately \$10 - 20 million over the lifespan of the landfill of approximately 30 years (see Table 1).

Given the scale of this commitment it is necessary for Council to confirm that this represents the best solution for the disposal of residual waste into the future. With the timeframe of design, procurement, construction and approval of a new landfill cell being approximately 3 years, a decision on the future of the Alexandra Landfill is time critical.

### **Discussion**

Financial modelling of future disposal scenarios compared to disposal at other landfills over the estimated 30 year lifespan of disposal in the western valley shows that continued filling of the Alexandra Landfill with increased efficiency of operation provided the best financial outcome. The benefit was estimated to be \$4,300,000 over the 30 year modelling period compared to disposal at another landfill.

The costs of constructing the new cells were further defined and preliminary design prepared and costed. The revised costs of construction, which were lower than anticipated, were fed back into the financial model, increasing the cost benefit of continuing at the Alexandra Landfill to \$5,200,000. At this point it was requested that the financial modelling be peer reviewed and a triple bottom line (**TBL**) assessment of the key scenarios be undertaken to remove the emphasis on the financial benefit. A peer review of the initial financial modelling and a TBL assessment were presented. Modelling was also presented for an expanded range of scenarios including disposing at an Energy from Waste (**EfW**) facility. The peer review supported the conclusions of the previous work, while the additional work suggested that if EfW was a viable disposal option then it would represent a better environmental outcome.

At the June 2020 workshop session feedback from Council supported the following actions:

- To exclude some commercial customers from the Alexandra Landfill site to extend its capacity for municipal waste and extend the time for further deliberations regarding its future;
- To seek the input of the Goulburn Valley Waste and Resource Recovery Group (GVWRRG);
- To revisit this work within 12 months once further information about the transition to a circular economy is available.

Upon review of the Victorian Government Circular Economy Policy *Recycling Victoria* and provision of feedback from the GVWRRG two options are presented to Council for resolution on this matter:

**Option A:** Continue operations of the Alexandra landfill into the Western Valley, designing the landfill for its maximum lifespan, whilst carrying out construction of new landfill cells within the western valley in a staged approach over that lifespan.

**Option B:** Begin closure of the site and seek alternative arrangements for the disposal of residual waste.

At present there is less than 3 years of airspace remaining at the Alexandra Landfill. It is estimated that approximately 3 years will be required to design, procure and construct the new western landfill cells. This scenario highlights the critical timing of this resolution to enable appropriate planning for the provision of either option A or B.

Extensive investigation has been undertaken to help inform a Council resolution on this matter. Council officers conducted a financial analysis and triple bottom line assessment of a number of future scenarios, including disposal at alternative landfill sites, disposal at Energy from Waste (EfW) facilities and the continued operation of the Alexandra Landfill to its maximum capacity. The basis for financial modelling was the assumption that the Alexandra Landfill has the potential to continue to be operated for 30 years, so that all options were compared using this timeframe. A summary of investigations undertaken to date is as follows:

#### Financial modelling

Modelling of future disposal scenarios has been undertaken iteratively, with the initial modelling also peer reviewed by industry leading consultants. The work was in part based on capital costs developed. Alternative scenarios have been modelled for both Option A (at 10, 20 and 30yr scenarios) and Option B, and are presented in Tables 1, 2 and 3. Overall the financial modelling found that continued filling of the Alexandra Landfill provided the best financial outcome.

Peer review of the initial modelling found that the method was reasonable and the conclusions not dissimilar to what they would have anticipated. The review agreed with the outcome of the initial model indicating that ongoing landfilling at the Alexandra Landfill was the least cost option, but noted there could be further scenarios worth considering.

Beyond the initial financial assessment, it was identified that further work was required to examine additional scenarios and mandated service changes outlined in the State government circular economy policy *Recycling Victoria*. Expanded modelling included the following scenarios:

- the impact of the landfill achieving Low Risk Rural Landfill (LRRL) status – this requires EPA to decide if the site is genuinely low impact and meets their criteria to be able to be built to a lower standard, thereby reducing costs significantly
- disposing at an EfW facility – there are two facilities currently proposed which have EPA approval to proceed, one in Laverton and one in Gippsland at Maryvale.

Sensitivity analysis was undertaken to test the impact of:

- introducing a Food Organics & Garden Organics (FOGO) collection service (now mandatory under the Recycling Victoria policy)

- a range of gate fees for disposal at an EfW facility
- inflating the plant and human resources deployed at the landfill.

This further scenario-based modelling placed Option A as the most desirable outcome for Council to pursue.

The analysis concluded that "... continuing to operate the landfill by developing the western extension is still the lowest cost option to Council regardless of discount rate, FOGO diversion (with the possible exception of a high discount rate) or possible range of EFW gate fees."

**Table 1: GHD – Financial modelling of all scenarios**

**Murrindindi Shire Council - Waste Disposal Options Analysis Study  
NPV Analysis**

Total Undiscounted Costs Over 30 Years			
Option	Total CAPEX	Total OPEX	Total
0 - Base case	\$ 17,030,000	\$ 8,840,000	\$ 25,870,000
1 - Alexandra LRRL	\$ 10,830,000	\$ 7,240,000	\$ 18,070,000
2.1 Wollert Landfill - Type 2/3 rehab	\$ 3,470,000	\$ 38,970,000	\$ 40,440,000
2.2 Wollert Landfill - Type 3 rehab	\$ 2,480,000	\$ 38,970,000	\$ 39,450,000
3.1 EFW AP Maryvale	\$ 2,480,000	\$ 36,680,000	\$ 39,160,000
3.2 EFW REA Laverton North	\$ 2,480,000	\$ 31,770,000	\$ 34,250,000

  

Total NPV			
Option	Low Rate (4%)	Mid Rate (7%)	High Rate (10%)
0 - Base case	\$ (18,710,000)	\$ (14,240,000)	\$ (11,520,000)
1 - Alexandra LRRL	\$ (13,080,000)	\$ (9,970,000)	\$ (8,060,000)
2.1 Wollert Landfill - Type 2/3 rehab	\$ (28,270,000)	\$ (19,460,000)	\$ (14,390,000)
2.2 Wollert Landfill - Type 3 rehab	\$ (27,390,000)	\$ (18,610,000)	\$ (13,590,000)
3.1 EFW AP Maryvale	\$ (27,250,000)	\$ (18,600,000)	\$ (13,640,000)
3.2 EFW REA Laverton North	\$ (23,910,000)	\$ (16,410,000)	\$ (12,100,000)

  

**Sensitivity Analysis**

30% FOGO diversion			
Option	Low Rate (4%)	Mid Rate (7%)	High Rate (10%)
0 - Base case	\$ (15,470,000)	\$ (12,110,000)	\$ (10,020,000)
1 - Alexandra LRRL	\$ (9,840,000)	\$ (7,830,000)	\$ (6,560,000)
2.1 Wollert Landfill - Type 2/3 rehab	\$ (21,730,000)	\$ (15,190,000)	\$ (11,400,000)
2.2 Wollert Landfill - Type 3 rehab	\$ (20,840,000)	\$ (14,340,000)	\$ (10,590,000)
3.1 EFW AP Maryvale	\$ (20,750,000)	\$ (14,330,000)	\$ (10,630,000)
3.2 EFW REA Laverton North	\$ (18,410,000)	\$ (12,790,000)	\$ (9,550,000)

  

High rate EFW gate fee (\$186.36/tonne)			
Option	Low Rate (4%)	Mid Rate (7%)	High Rate (10%)
0 - Base case	\$ (18,710,000)	\$ (14,240,000)	\$ (11,520,000)
1 - Alexandra LRRL	\$ (13,080,000)	\$ (9,970,000)	\$ (8,060,000)
2.1 Wollert Landfill - Type 2/3 rehab	\$ (28,270,000)	\$ (19,460,000)	\$ (14,390,000)
2.2 Wollert Landfill - Type 3 rehab	\$ (27,390,000)	\$ (18,610,000)	\$ (13,590,000)
3.1 EFW AP Maryvale	\$ (31,560,000)	\$ (21,430,000)	\$ (15,620,000)
3.2 EFW REA Laverton North	\$ (28,220,000)	\$ (19,240,000)	\$ (14,080,000)

**Table 2: GHD – Net Present Value modelling of scenarios summary for mid rate:**

Option*	Scenario	Description	Net Present Value	Average Annual Cost (CAPEX and OPEX)***
A	0	Base case – continue into western valley using conventional construction methods	\$14,240,000	\$988,000
	1**	Alexandra LRRL – continue into western valley with LRRL construction methods	\$9,970,000	\$689,000

B	2.1	Wollert Landfill - close landfill, rehabilitation of current cells partially LRRL, partially conventional	\$19,460,000	\$1,716,000
	2.2	Wollert Landfill - close landfill, rehabilitation of current cells fully LRRL	\$18,610,000	\$1,687,000
	3.1	EFW AP Maryvale – close landfill, rehabilitation fully LRRL, waste to energy incinerator in Gippsland	\$18,600,000	\$1,670,000
	3.2	EFW REA Laverton– close landfill, rehabilitation fully LRRL, waste to energy incinerator in Laverton	\$16,410,000	\$1,457,000

\* The report does not include the alpha-numerical naming convention, the lettering of the two main options has been added to simplify the recommendation.

\*\*The sensitivity analysis for inflated operational and capital costs (option as well FOGO and high EfW gate fees have been excluded, but were included in the previous briefing.

\*\*\* Excludes revenues. The costs presented in this table are presented for comparison purposes only and must not be used for budgetary purposes.

It is important to keep in mind that NPV modelling is undertaken for the purposes of comparing options, not setting budgets. The figures above are all costs over a timeframe of 30 years, discounted back to a single value cost in today's terms. Different discount rates were modelled, and the figures presented in Table 1 present the mid-range discount rate of 7%.

Table 3 calculates the estimated total capital costs for construction and rehabilitating the additional cells (excludes the operational costs). Figures show that in opening the western valley, capital costs for 10 years compared to 20 years will increase by \$3.9mil with airspace doubling from 140,000m<sup>3</sup> to 280,000m<sup>3</sup>. When you compare the 20-year scenario to the Max Lifespan scenario (approx. 30 years) no additional capital cost is needed and 40,000m<sup>3</sup> of airspace will become available. These figures suggest that if a decision was made to extend the landfill to the 20-year scenario that the Max Lifespan scenario should also be enacted as no further capital costs are required to achieve an additional 10 years of life.

**Table 3: Capital costs for 10 year, 20 year and 30 year operation of the Alexandra Landfill**

Option	Scenario	Description	Capital cost (\$)	Available airspace (m <sup>3</sup> )	Unit Cost (m <sup>3</sup> of airspace)
A	0	Maximum Lifespan (>30 Years)	\$9,692,500	320,000	\$30
	2	20 Year Lifespan	\$9,692,500	280,000	\$35
	3	10 Year Lifespan	\$6,000,200	140,000	\$43

#### Triple bottom line assessment

In undertaking the TBL assessment a multi criteria analysis approach was adopted, with the weightings apportioned to Financial, Social and Environmental factors given a simple even split (33% each).

The scenario involving EfW ended up with the best score primarily because it most aligned with the state government policy and had increased environmental benefits. Continued operation of the Alexandra Landfill scored marginally worse than sending the waste to Wollert Landfill because of a marginally tighter alignment to state government policy but with no environmental benefit.

**Table 3 – Triple Bottom Line assessment – factors considered**

<b>Financial 33% weighting</b>	<ul style="list-style-type: none"> <li>• Incentive to recycle</li> <li>• Reputational risks</li> <li>• Political risks and political interference risk</li> <li>• Lifecycle costs and management of liabilities such as</li> </ul>	<ul style="list-style-type: none"> <li>• Flexibility to accommodate change</li> <li>• Consideration of local economic impacts / Impact on local businesses</li> <li>• Costs to residents</li> </ul>
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	<ul style="list-style-type: none"> <li>environmental risks, compliance risks</li> <li>Council liability such as OHS risks at landfill versus OHS risks for truck drivers carting waste.</li> </ul>	<ul style="list-style-type: none"> <li>Security of service delivery</li> <li>Long term cost of managing EPA matters</li> <li>Employee's RDO's, overtime and leave loading.</li> </ul>
<b>Environmental 33% weighting</b>	<ul style="list-style-type: none"> <li>Circular Economy Policy</li> <li>Push by state government to move away from landfill.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon impact, carbon footprint transport costs.</li> </ul>
<b>Social 33% weighting</b>	<ul style="list-style-type: none"> <li>Opportunities for improved services to customers.</li> </ul>	<ul style="list-style-type: none"> <li>Local use impacts.</li> </ul>

TBL assessment of Scenario 1 (continue with the Alexandra Landfill) and Scenario 2 (close the landfill and cart waste to Melbourne) found that Scenario 2 scored 58.2 compared to Scenario 1 which scored 67.3. It was noted that the difference in total score between the two scenarios is not considered significant.

A TBL assessment of scenarios 2.1 and 3.2 was carried out, under which the Alexandra Landfill is closed and rehabilitated as LRRL, and waste is disposed at either an alternative landfill or an EfW facility. Due to the better environmental outcomes, and better alignment with state policy the option of disposal at an EfW facility was preferred, with a lower score of 43.8 versus 59.6 for disposal at Wollert Landfill.

**Table 4 – Triple Bottom Line Assessment outcomes\*\*\***

Option	Scenario	Description	Financial	Social	Enviro	TOTAL
A	0	Base case – continue into western valley using conventional construction methods	20.6	26.7	20.0	<b>67.3</b>
B	2	Wollert Landfill - close landfill, rehabilitation of current cells fully conventional	18.2	20	20.0	<b>58.2</b>
B	2.1	Wollert Landfill - close landfill, rehabilitation of current cells partially LRRL, partially conventional	21.8	17.8	20.0	<b>59.6</b>
B	3.2	EFW REA Laverton– close landfill, rehabilitation fully LRRL, waste to energy incinerator in Laverton	18.2	8.9	16.7	<b>43.8</b>

\*\*\*Note a lower score is a more preferable option.

In reviewing the TBL assessment and the NPV analysis, it is apparent that if Council chooses to close the Alexandra Landfill, then transferring waste to the REA Laverton North EFW plant is more preferable than disposal at the Hanson Wollert Landfill. However, based on the findings of the NPV analysis alone, closing the Alexandra Landfill and transferring waste to an external waste disposal facility comes at significantly higher cost. It is also noted that delivery to REA Laverton North EFW plant is unlikely due to feedstock capacity already being filled.

#### Goulburn Valley Waste and Resource Recovery Group advice

The GVWRRG is a Statutory Authority established under the *Environment Protection Act 1970* to act as a link between state, local governments, community and industry. Their remit is to facilitate a coordinated approach to the planning and delivery of infrastructure and services for all waste generated and managed within the region.

The advice of the GVWRRG has been sought in relation to this matter. Their advice includes the following key statements:

- “As a public sector entity, the ‘views’ taken by GVWRRG reflect government policy and remain consistent with those expressed in the Goulburn Valley Waste and Resource Recovery Implementation Plan (2017).”

With reference to this advice, The Goulburn Valley Waste and Resource Recovery Implementation Plan is noted to assume the Alexandra Landfill closes in 2040.

- With regard to Waste to Energy: “... *Given the current state of development of Waste to Energy (WtE) in Victoria, GVWRRG does not regard that it will present an available and reliable utility to MSC for many years to come and, as such, its influence on the consideration of the future operational viability of the Alexandra Landfill future may well be lessened.*”
- “*There are several local examples of councils (eg. Campaspe, Mansfield, Indigo and Strathbogie) that have ceased landfill operations, due solely to utilising all available landfill airspace.*”

While the date of 2040 is provided in Regional Implementation Plan, it is noted that this timeline predated the further work from Council that suggest if the landfill were to be open for a further 20 years the Max Lifespan option also becomes viable at no extra capital cost.

In summary, feedback from GVWRRG aligns with state policy as outlined in the regional implementation plan and supports Option A in this report to continue operations of the Alexandra landfill into the Western Valley.

#### Environmental impact

It is noteworthy that the Alexandra Landfill and all alternative landfills are managed under EPA licence with some of the strictest conditions in the world for constructing and operating the sites. The sites are built to world’s best practice and undergo a thorough regime of environmental monitoring and external auditing. Council should be assured that both Alexandra Landfill and Wollert Landfill operate under best practice guidelines that limit environmental impact.

It should also be noted that sending our waste to another landfill in an adjacent municipality is not removing the landfilling act and our environmental responsibility, only transferring Council’s control over the management and potential impact.

#### Conclusion

Following a thorough analysis of future scenarios and consultation with the GVWRRG it is evident that Option A in this report is the most desirable outcome. To continue the development and use of the Alexandra landfill beyond its current life span to the maximum lifespan of the landfill (approx. 30 years) provides the most surety and best value for the provision of residual waste services to our community.

It is evident that the municipal waste sector is currently undergoing a major policy overhaul that will influence Council services over the next 10 years. Option A also provides Council with an opportunity to review landfilling in future years without a significant impact on budget and operations in the short term.

It is further noted that Council has developed a Draft Waste and Resource Recovery Strategy 2030 that is out for public comment and aims to reduce the amount of waste disposed at landfill and its impact on the environment. This Strategy is intended to be adopted by Council in July 2021 and provides programs that will minimise the generation of waste.

#### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Place* strategy to “strengthen the environmental sustainability of our communities, protect our natural environment and reduce resource consumption.”

This report supports the *Council Plan 2017-2021 Our Promise* strategy to “ensure the range of services we provide and the way we provide them are best aligned with community priorities and Council’s resources”.

This report supports the *Council Plan 2017-2021 Our Promise* strategy to “maintain Council’s financial sustainability through sound financial and asset management”.

### **Relevant Legislation**

Key legislation includes the *Environment Protection Act 1970*, and its successor the *Environment Protection Act 2017 (coming into force 1 July 2021)*, which govern the licensing, operation and construction of the Alexandra Landfill, as well as the *Local Government Act 2020* which provides principles to support Council decision making.

The *Recycling Victoria* (aka circular economy) policy was released in March 2020 and will guide state government programs, incentives and investments relating to waste management for the foreseeable future. Through the policy lever of increasing landfill levies it emphasises recycling and materials recovery as the preferred methods for managing waste where this is feasible, and encourages waste to energy as a preferred alternative to landfill.

The schedule for increasing landfill levies has been taken account of in developing the NPV model discussed here, and the feasibility of waste to energy as a disposal option has been explored thoroughly through financial analysis and advice from GVVRRG.

### **Financial Implications and Risk**

This work overall looks at the financial risks and implications of either continuing to operate the Alexandra Landfill or a range of alternatives. It is crucial to note that under all scenarios the cost of waste disposal is increasing due to the state government policy of increasing landfill levies to make alternatives competitive. Alternative disposal facilities competing against landfills will set their gate fees to be marginally below the cost of landfill disposal, but not substantially cheaper.

Council sets the waste budget based on a 10 years full cost model, where all operating and capital costs are balanced against the income received at the sites and through the garbage and recycling charges collected through the rates. The model seeks to ensure that future capital costs, including for the development and rehabilitation of the Alexandra Landfill, are accounted for. The model helps to set the garbage and recycling charges such that future costs can be met.

Any increased costs will need to be recovered both from users of Councils waste facilities and from ratepayers using garbage collection services. The reasons for these increases will need to be communicated clearly to the public.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

### **Community and Stakeholder Consultation**

Community and stakeholder consultation has been undertaken through the engagement phase of developing the Draft Waste and Resource Recovery Strategy. No comments were received regarding Alexandra landfill. The Goulburn Valley Waste and Resource Recovery Group have a legislated responsibility to plan for adequate landfill space within their region.

**9            OUR PEOPLE**

**10          OUR PROSPERITY**

**11          OUR PROMISE**

## 11.1 2021/22 Budget Adoption

Attachment(s):

1. Murrindindi Shire Council - Annual Budget 2021-22 [11.1.1 - 57 pages]

### Purpose

This report is to present the 2021/22 Annual Budget for adoption by Council.

### Officer Recommendation

That Council:

1. **having heard and considered public submissions on the draft 2021/22 Annual Budget, accept the officer's recommendation for each submission outlined in the body of this report**
2. **notify submitters of Council's decision noting that responses will be issued by the Manager Business Services.**
3. **adopt the 2021/22 Annual Budget (Attachment 11.1.1) noting the following change to the exhibited draft Annual Budget:**
  - **rates in the dollar and property valuation figures have been updated following the receipt of the final revaluation data from the Valuer-General Victoria**
  - **financial statements and loan information has been updated following Council's decision to pay off all outstanding loan debt.**
4. **confirm the differential rates, municipal charge and waste service charges as detailed in the 2021/22 Budget per Attachment 11.1.1.**
5. **authorise the rates officers of Council to levy and recover the differential rates so declared in accordance with the Act.**
6. **note the due date for the full payment of rates is 15 February 2022 and the due dates for rate instalments will be as follows:**
  - **Instalment 1: 30 September 2021**
  - **Instalment 2: 30 November 2021**
  - **Instalment 3: 28 February 2022**
  - **Instalment 4: 31 May 2022.**

### Background

At the 28 April 2021 Council meeting, Council endorsed the draft 2021/22 Annual Budget (Budget) for the purposes of public exhibition in accordance with the *Local Government Act 2020* (the Act).

Submissions were sought from the public and the draft Budget was made available on Council's website. The public exhibition period and submission process were advertised on Council's Facebook page and in a range of publications and newspapers. Submissions were due by 28 May 2021.

An acknowledgement was sent to each submitter, confirming receipt of their submission and informing them of the opportunity to attend the Special Meeting of Council on 9 June 2021 to speak to their submission if they wished. Six people spoke to their submission at the Special Meeting.

### Discussion

The Budget details the resource requirements and project priorities that are in accordance with the key strategic objectives that have been set in the *Council Plan 2017-2021*.

The Budget has been prepared on the principles of responsible financial management to achieve an operating result that ensures and maintains long term financial sustainability.

Whilst always difficult to raise revenue, especially in times of uncertainty, the rate increase of 1.5% for 2021/22 is in line with the rate cap set by the State Government and provides for a continued mix of responsible operating and capital budget expenditures. This is in contrast to 2020/21, where Council responded swiftly and strongly in the face of the pandemic, with no increase applied to rates income and the removal of the 25% premium paid by commercial and industrial properties. To further support businesses and the community, a range of fees and charges were reduced or waived, and the provision of community and business grants and contributions was expanded. Council also extended its Hardship Policy to assist those significantly impacted by the effects of the pandemic. Council will continue to support those ratepayers needing assistance throughout the next rating period.

The Budget has been developed based on the following principles:

- to increase average rates by 1.5%. This is in line with the average rate increase allowable under the State Government's Fair Go Rates System for 2021/22
- to take on no new debt; Council has no outstanding loan debt following a decision to pay off all existing debt in the 2020/21 financial year
- to limit increases to fees and charges (where possible and under Council's control), to no more than 1.5%
- to reinstate the 25% rate premium on commercial/industrial properties, which Council temporarily suspended last year during the pandemic, in line with Council's Revenue and Rates Plan.

The Budget identifies that Council will spend \$50.6 million to deliver services and improve infrastructure. This includes a \$14.7 million Capital Works Program.

Highlights of the Capital Works Program include:

- \$4.3 million on roads and paths
- \$123,000 to improve safety at our swimming pools
- \$4.9 million to replace Break O'Day Road bridge in Glenburn, the Yea Caravan Park Bridge and the Yarck Road Bridge and widening of Snobs Creek Road
- \$668,000 for works on the Alexandra Youth Precinct project
- \$100,000 to undertake structural stabilisation works and create a meeting room at the Yea Shire Hall
- \$200,000 to undertake major renewal works at the Alexandra Maternal and Child Health Centre
- \$65,000 for investigation and design for Kinglake closed landfill.

Other initiatives proposed in the draft Budget include:

- \$25,000 for the development of a Reconciliation Action Plan to embed respect for indigenous culture and its history, to build relationships with Aboriginal and Torres Strait Island people, communities and organisations, and to develop opportunities to work together in partnership and understanding for a better community for all
- \$80,000 for the development of programs which relate to the environment and mitigating the effects of climate change
- \$50,000 to review and address the ongoing maintenance challenges of Council's built and environmental assets, including ageing infrastructure, roads, recreation and open spaces and to support the review of the Road Asset Management Plan
- Over \$100,000 in funding from Council's reserves for a range of tourism and business development initiatives, which include:
  - Business assistance to access both government funding and information about the regulatory side of doing business
  - Hosting and promoting a range of professional development opportunities
  - Development of printed material and online content to attract visitors to cycling, walking and other nature-based tourism opportunities, while promoting the Great Victorian Rail Trail and associated towns in collaboration with neighbouring Shires.

### Public Submissions

Ten submissions were received in relation to the draft Budget. All submissions were presented for Council's consideration at the Unscheduled Meeting of Council on 9 June 2021. A summary of the submissions received and associated officer recommendations is included in the table below:

No.	Summary of submission	Officer recommendation
1	<p><i>Submitter: Ruth Selover</i></p> <p>Request for Council to begin tree planting in Bayley Street.</p> <ul style="list-style-type: none"> <li>• In summer it is an aesthetically and environmentally unpleasant significant street</li> <li>• Concrete curbing channels water away from trees</li> <li>• Requests Council saves the money it spends on curbing and spend it on trees.</li> </ul>	<p><b>That Council:</b></p> <ul style="list-style-type: none"> <li>• Inform the submitter that tree planting in Bayley Street is indicatively scheduled to occur during the 2021/22 financial year</li> <li>• Consult with the community on the types of trees to be planted to provide shade and amenity</li> <li>• Investigate alternatives to kerb and channels.</li> </ul>
2	<p><i>Submitter: Robyn Hill, Marysville and Triangle Community Foundation</i></p> <p>Questions why there is no allocation for community development in the 2021/22 draft budget.</p> <ul style="list-style-type: none"> <li>• Murrindindi Shire Council lists "Our People" as its first strategic directive, and yet there are no funds allocated to carry out actual community development work.</li> <li>• Community development is a vital framework for building social capital, sustainable communities, and community networking.</li> <li>• Community development empowers community members and creates stronger and more connected communities.</li> <li>• How is Council's commitment to 'Our People' actually demonstrated without any budget allocation for vital community development work?</li> </ul>	<p><b>That Council:</b></p> <ul style="list-style-type: none"> <li>• Inform the submitter that Council does undertake community development programs and projects. These are funded within existing budgets and staffing resources across many business units including Children Services, Maternal &amp; Child Health Services, Youth Services, Recreation Services, Community Planning, Grant seeking and funding, Waste &amp; Environmental Services, and Library Services.</li> </ul>
3	<p><i>Submitter: Robyn Schrader</i></p> <p>Request that Council considers the development of a secure off lead dog park in Alexandra.</p>	<p><b>That Council:</b></p> <ul style="list-style-type: none"> <li>• Inform the submitter that Council's 2021-2025 Domestic Animal Management Plan includes an action to explore the idea of providing off-lead dog parks, undertaking community engagement and designing supporting education programs. This includes scoping of potential locations within existing parks and any infrastructure requirements such as fencing and signage.</li> </ul>
4	<p><i>Submitter: Robbert Veerman</i></p> <p>Request for Council to revise its planning and building approvals practice to reduce the direct CO2 emissions of all new buildings in particular by setting defaults for orientation of boundaries on subdivisions, and building envelopes within individual blocks to enable optimum harvesting of natural solar heat and light in winter, and shading in summer.</p>	<p><b>That Council:</b></p> <ul style="list-style-type: none"> <li>• Inform the submitter that Council is participating in the Sustainable Subdivision Pilot Project, noting that for many Victorian Councils, single residential dwellings do not require a planning permit, but decisions made at the point of subdivision can make a substantial impact on the</li> </ul>

	<ul style="list-style-type: none"> <li>• That revision should include the addition of supporting literature and advice to applicant planners, builders and owners.</li> <li>• Orientation is just one of several critical factors but it is the only one that comes into play at the subdivision and planning stages and lasts forever. The others are glass, mass, insulation, shading, and layout which are in the hands of customer, designer and builder.</li> </ul>	<p>achievement of sustainability in a new development. Sustainability can be embedded at the subdivision scale, recognising its role in the making of new communities. The Sustainable Subdivisions Framework sets out a series of sustainable built environment opportunities, which can be influenced through the development planning and subdivision planning processes.</p>
5	<p><i>Submitter: Tony Richardson, Murrindindi Climate Network Inc.</i></p> <p>Requests that Council use part of the funds allocated for the “development of programs which relate to the environment and mitigating the effects of climate change” to conduct a feasibility study of the establishment of a Farm Forestry (AgroForestry) plantation on land controlled by Council.</p> <ul style="list-style-type: none"> <li>• Study would demonstrate the feasibility of Council (and other private land owners) developing an Agroforestry plantation on marginal agricultural land which would have three main outputs: production of high-quality timber at the end of the 25-year rotation, creation of jobs in the Agroforestry sector and creation of Australian Carbon Credit Units (ACCU) which could be used to partially offset Council emissions and assist in achieving a net-zero-emissions target by 2050.</li> <li>• Project would also include part-sponsorship of a Master TreeGrower workshop series, using the Council land as a case study, whereby council officers and Murrindindi residents could learn more about the establishment and management of a Farm Forestry plantation.</li> <li>• The anticipated cost of such a study would be \$40k.</li> </ul>	<p><b>That Council:</b></p> <ul style="list-style-type: none"> <li>• Inform the submitter that an organisational climate change risk assessment will be considered for inclusion in the future development of Climate Change Mitigation and Adaptation Programs to respond to the effects of climate change. This request will be considered as part of the development of the programs.</li> </ul>
6	<p><i>Submitter: Tony Richardson, Murrindindi Climate Network Inc.</i></p> <p>Requests that Council conduct an investigation into the feasibility of creating a Virtual Microgrid in Marysville using the Enosi Energy Powertracer software, with Energy Locals as the retailer.</p> <ul style="list-style-type: none"> <li>• This study would require the cooperation of approximately ten Marysville households and one larger property with a significant solar &amp; battery installation</li> <li>• The study will also examine the potential for delivering FCAS (Frequency Control Ancillary Service) financial benefits.</li> <li>• This installation could be a pilot project for the more comprehensive SENSE project proposed by MCN</li> </ul>	<p><b>That Council:</b></p> <ul style="list-style-type: none"> <li>• Inform the submitter that an organisational climate change risk assessment will be considered for inclusion in the future development of Climate Change Mitigation and Adaptation Programs that mitigate the effects of climate change. This request will be considered as part of the development of the programs.</li> </ul>

	<ul style="list-style-type: none"> <li>The proposed feasibility study would require no additional hardware, and the anticipated cost of such a study would be \$10k.</li> </ul>	
7	<p><i>Submitter: David Webb Ware</i></p> <p>Requests to speak to Council about how to address the inequity with the Rural 1 differential rate for larger farming properties</p> <ul style="list-style-type: none"> <li>Inequity exists between Rural 1 and Residential and Commercial in that larger Rural 1 properties individually pay a very disproportional amount of rates.</li> <li>Rates calculated principally by valuation changes between the rate categories can be very biased against the larger rural properties.</li> <li>Strongly supports council in their attempts to solve the inequities by maintaining the Rural 1 discount and reintroducing the 25% commercial premium.</li> <li>Future consideration may be to introduce another tier of Rural rating with large properties of 250 Ha or more (for example) having a larger discount on the general rate.</li> <li>Seeking clarification in the budget document where a 2.52% increase in the total amount to be raised by general rates is more than the State Governments cap of 1.5%.</li> </ul>	<p>That Council:</p> <ul style="list-style-type: none"> <li>Request officers to investigate the impact of the valuation movements and rating implications for large rural properties and prepare a report to be considered by Council for the development of the 2022/23 budget.</li> <li>Refer the submitter to Council's recently adopted Revenue and Rates Plan, which provides the background on Council's existing differential rating structure.</li> <li>Inform the submitter that the draft budget complies with the State Government rate cap and that the reason that total amount to be raised by rates shows an increase of 2.52% is due to requirement to compare the variance to the 2020/21 original adopted budget which excludes supplementary rates (i.e. properties that have either had new dwellings constructed or improvements to the property that triggers a supplementary valuation and a new prorated rates notice). The annualised effect of supplementary rates is included in the base figures for the rate cap calculation.</li> </ul>
8	<p><i>Submitter: Rubicon Forest Protection</i></p> <p>Two budget suggestions arise from the submitter's ongoing promotion of native forest values other than logging, these being:</p> <ol style="list-style-type: none"> <li>Indigenous cultural significance and values of this mountain landscape (for all people, not just indigenous users), and</li> <li>Enabling safe and secure visitation by tourists and locals alike into the forest for their wellbeing and recreation.</li> </ol> <ul style="list-style-type: none"> <li><i>Reconciliation Action Plan</i> <ul style="list-style-type: none"> <li>Supports the proposed Reconciliation Action Plan proposed by the Shire</li> <li>Proposes the development of a Taungurung cultural heritage trail, as part of a suite of proposed tourist developments to help the transition to a post-logging economic future for the Shire.</li> <li>Suggests an element of the reconciliation plan could include a review of any names of streets and places in the Shire that may commemorate people who inflicted harm or injustice on Aboriginal people.</li> </ul> </li> </ul>	<p><b>That Council:</b></p> <ul style="list-style-type: none"> <li>Consider the submitter's suggestions in the development of the proposed Reconciliation Action Plan and the implementation of the Tourism Events Strategy</li> <li>Request officers to investigate the reinstatement of a gravel road at the eastern end of Cathedral Lane during the 2021/22 financial year for consideration in the 20 year capital works budget.</li> </ul>



	<ul style="list-style-type: none"> <li>• <i>Reinstatement of near-impassable 1.3 km gravel section at the east end of Cathedral Lane.</i> <ul style="list-style-type: none"> <li>o Suggests reinstatement of a 2WD all-weather gravel road at the eastern end of Cathedral Lane as Council's contribution to a proposed scenic loop drive from Cathedral Range State Park to Blue Range Rd via Cathedral Lane and Chitty Ridge Rd and back to the Park via Tweed Spur Rd</li> <li>o Works would also be potentially fundable with some of the \$36 million the State Government has allocated as part of the Forestry Transition funding package, however the prospect of funding from that source would doubtless improve with some Council contribution to the project.</li> </ul> </li> </ul>	
9	<p><i>Submitter: Bev Dick</i></p> <p>Suggests that Council creates a position of a Climate Change Officer and supports a range of initiatives regarding climate change, trees and the forest:</p> <ul style="list-style-type: none"> <li>• Introduce "The Pledge" asking ratepayers to make a written optional annual pledge of what they will do/can do for CCA for the next 6 months; 12 months</li> <li>• discounts on rates e.g. \$40 reduction in rates, or reduced cost of a worm farm or compost rubbish bin, or three free tip vouchers etc.</li> <li>• organise simple Business Awards (recommendations - like star of the week on the local paper for school kids) for businesses and organisations doing great things for Climate Change</li> <li>• consider the purchase of a thermal reader for loaning out from/rotating around the Alex and Kinglake Libraries, and arrange for the libraries to host workshops about Emissivity and Thermal Imaging so that locals learn how to use this equipment.</li> <li>• Bring in Communal or 'street-hub' worm-farms or Bokashi bins or compost bins.</li> <li>• Subsidise wormfarms, bokashi buckets or compost bins for rate payers as happens in other shires around the state</li> <li>• Look at all projects to do with tree planting and tree preservation - planting new tree lots on shire land, big and small, and encouraging local landowners to do the same</li> <li>• Continue to champion the survival of the very little old-growth native forest that the shire has left</li> <li>• Encourage tourism, enjoyment and preservation of the biodiversity and beauty within our State Forests</li> <li>• Encourage farmers to not plough or spray close to the root zone of trees – introduce fines, use local laws to support tree preservation.</li> </ul>	<p><b>That Council:</b></p> <ul style="list-style-type: none"> <li>• Consider the creation of a Climate Change Officer position in line with the outcomes of a climate risk assessment and development of the Mitigation and Adaptation programs. The suggestions listed by this request will be also considered as part of the development of the programs.</li> </ul>

10	<p><i>Submitter: Nicholas Reuter</i></p> <p>Requests that rates need to be lowered</p> <ul style="list-style-type: none"> <li>• Higher than other places</li> <li>• Massive burden on families.</li> </ul>	<p><b>That Council</b> inform the submitter that:</p> <ul style="list-style-type: none"> <li>• Council is aware of the impact rates can have on families, individuals and businesses, and has financial hardship provisions in place for any ratepayer experiencing difficulties in paying rates.</li> <li>• Council's rates income is 59% of its total income. Without rate increases, Council would be unable to provide adequate levels of service to the community.</li> <li>• In 2019/20 Council's average rates per assessment was \$1,801.56 which when compared to the other 79 Council's in Victoria, placed Council 32nd on the list from most expensive to least.</li> <li>• The budgeted 1.5% rates increase is no more than the State Government rates cap and follows a 0% rates increase in 2020/21 which was part of Council's response to the COVID-19 pandemic.</li> </ul>
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### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategy to “maintain Council's financial sustainability through sound financial and asset management”.

### **Relevant Legislation**

The adoption of the Budget is a statutory requirement of the *Local Government Act 2020* and sets the financial framework in which Council will operate for the 2021/22 financial year.

### **Financial Implications and Risk**

The 2021/22 Budget is fiscally responsible in its scope of discretionary spending. The Budget details how Council can manage its requirement to keep average rate increases within the rate cap of 1.5% legislated by the State Government for 2021/22, whilst providing a responsible and viable financial plan for the ensuing year.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

### **Community and Stakeholder Consultation**

The draft Budget was made available to the community on Council's website from 30 April 2021 and advertised on Council website, Facebook page, and in a range of publications, with written submissions sought by 28 May 2021.

## **11.2 Mayoral and Councillor Allowances**

Attachment(s): Nil

### **Purpose**

The purpose of this report is to present the Mayoral and Councillor allowances for adoption following consideration of any submissions made during the public consultation period.

### Officer Recommendation

**That Council adopt the Mayoral Allowance of \$62,884 plus 10% superannuation equivalent and the Councillor Allowance of \$21,049 plus 10% superannuation equivalent.**

### Background

An important reform of the *Local Government Act 2020* is the transfer of responsibilities in determining mayoral, deputy mayoral and councillor allowances to the Victorian Independent Remuneration Tribunal (the Remuneration Tribunal).

However, until the Remuneration Tribunal makes its first determination on allowances, the allowance framework under the *Local Government Act 1989* (1989 Act) continues to apply.

Under section 74(1) of the 1989 Act, councils must review and determine the level of mayoral and councillor allowances within six months of a general election or by 30 June, whichever is later. Council must allow for community submissions under section 223 of the *Local Government Act 1989* as part of the review process.

At the Scheduled Meeting of Council on 25 May 2021, the revised Mayor and Councillor Allowances were endorsed for public consultation in accordance with Section 223 of the *Local Government Act 1989* (the Act).

Submissions were sought from the public and the submission period was advertised in local newspapers and on Council's website.

### Discussion

The Victorian Government sets upper and lower limits for allowances paid to Councillors and Mayors. For the purpose of these allowance limits, councils are divided into three categories based upon the income and population of each council. Murrindindi is a Category 1 Council for the determination of allowances. Councillors are entitled to receive remuneration in the form of a councillor allowance. Mayors are entitled to receive a higher allowance.

The Category 1 schedule is as follows:

	-----Range-----	
Councillor	\$8,833	\$21,049
Mayor:	a maximum of \$62,884	

Section 73B of the 1989 Act provides for annual adjustments to the allowance levels set by Council. These adjustments are decided by the Minister for Local Government, after having regard to movements in the levels of remuneration of Victorian Statutory and Executive Officers. Under section 73B(5) of the Act, a Council must increase allowances in accordance with the adjustment factor specified in the *Victoria Government Gazette* notice published by the Minister.

Councillor and Mayoral allowances are also subject to the addition of the equivalent of the Superannuation Guarantee Contribution (currently 9.5%). Councillors receiving this amount can decide whether or not to pay this amount into superannuation. From 1 July 2021 this will increase to 10%.

In addition to the annual allowance Councillors are entitled to reimbursement of expenses as per the Councillor Expenses and Support Policy, including the entitlement to remote area travel allowance.

Public submissions in relation to Council's initial allowance determination were invited for a 28 day period. This period ends at 12 noon on 23 June 2021.

No submissions had been received by Council at the time of publishing the Agenda.

### Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our Promise* strategic objective to “we will all work in collaboration with our communities to deliver the best possible outcomes in all that we do”.

### **Relevant Legislation**

Under section 39 of the *Local Government Act 2020* the Mayor, Deputy Mayor and Councillors are entitled to receive from the Council an allowance in accordance with a determination of the Victorian Independent Remuneration Tribunal. Until such time as a determination is made the *Local Government Act 1989* section 73B, 74 to 74B apply.

### **Financial Implications and Risk**

The Minister for Local Government reviews the limits and ranges of the Mayoral and Councillor allowances and determined the current levels under Section 73B of the Act, the Minister reviewed the rate in 2020.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

### **Community and Stakeholder Consultation**

Public submissions in relation to Council's initial allowance determination were invited under section 223 of the *Local Government Act 1989* and in accordance with Council's Community Engagement Policy adopted under the *Local Government Act 2020*.

Council undertook a consultation period of 28 days effective from 27 May 2021.

The opportunity to provide a submission will be advertised in the following newspapers:

- Alexandra Standard
- Yea Chronicle
- Marysville Triangle
- The Local Paper.

The submission process was advertised on Council's website. Community engagement was facilitated through Council's online engagement platform “Dindi - in the Loop”.

## **11.3 Instruments of Delegation, Appointments and Authorisations**

Attachment(s):

1. S5. Instrument of Delegation to the CEO (23 June 2021) [**11.3.1** - 4 pages]
2. S6. Instrument of Delegation to Council Staff (23 June 2021) [**11.3.2** - 62 pages]
3. S11A - Instrument of Appointment & Authorisation (Planning and Environment Act 1987) (June 2021) [**11.3.3** - 3 pages]
4. S11 Instrument of Appointment and Authorisation - CEO (June 2021) [**11.3.4** - 4 pages]

### **Purpose**

The purpose of this report is to seek Council's adoption of the Delegations to the Chief Executive Officer and staff, and Appointment and Authorisations of staff and others under the prescribed legislation.

### **Officer Recommendation**

**In the exercise of the power conferred by s 11(1)(b) of the *Local Government Act 2020* (the Act), Murrindindi Shire Council (Council) RESOLVES THAT –**

1. **There be delegated to the person holding the position, or acting in or performing the duties, of Chief Executive Officer the powers, duties and functions set out in the attached *Instrument of Delegation to the Chief Executive Officer*, subject to the conditions and limitations specified in that Instrument (S5. Attachment 11.3.1)**

2. The instrument comes into force immediately the common seal of Council is affixed to the instrument
3. On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked
4. The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

In the exercise of the powers conferred by the legislation referred to in the attached instrument of delegation, Murrindindi Shire Council (Council) RESOLVES THAT –

1. There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached *Instrument of Delegation to members of Council staff*, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument (S6 Attachment 11.3.2)
2. The instrument comes into force immediately the common seal of Council is affixed to the instrument
3. On the coming into force of the instrument all previous delegations to members of Council staff (other than the Chief Executive Officer) are revoked
4. The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

In the exercise of the powers conferred by s 224 of the *Local Government Act 1989* (the Act) and the other legislation referred to in the attached instrument of appointment and authorisation (the instrument), Murrindindi Shire Council (Council) RESOLVES THAT -

1. The Chief Executive Officer be authorised as set out in the instrument (S11 Attachment 11.3.4)
2. The instrument comes into force immediately the common seal of Council is affixed to the instrument, and remains in force until Council determines to vary or revoke it
3. The instrument be sealed.

In the exercise of the powers conferred by s 147(4) of the *Planning and Environment Act 1987*, Murrindindi Shire Council (Council) RESOLVES THAT –

1. The members of Council staff referred to in the instrument attached be appointed and authorised as set out in the instrument (S11A – Attachment 11.3.3)
2. The instrument comes into force immediately the common seal of Council is affixed to the instrument, and remains in force until Council determines to vary or revoke it
3. The instrument be sealed.

### **Background**

Council is a legal entity comprised of its members (the seven Councillors). Its decision making power exists only as a group through resolution, not as single Councillors. Most decisions are not required to be made at a Council level therefore the Council must entrust some of the decision making power to others, this is done through delegations and authorisations.

Under the *Local Government Act 2020*, Council can only delegate powers conferred by the Act or the remaining powers of the *Local Government Act 1989* to the Chief Executive Officer.

The Council however remains able to delegate powers under various other pieces of legislation direct to Council staff, this is documented in the S6. Delegation from Council to members of Staff.

Section 224 of the *Local Government Act 1989* has not been repealed therefore Council also retains its power to Authorise Officers under the *Local Government Act 1989* for the purposes of enforcement of the *Planning and Environment Act 1987* and various other legislation.

Delegations are to be reviewed annually or where there is a significant legislative or staffing change. The last review was conducted in July 2020 and this year's review coincides with Council appointing a new Chief Executive Officer.

### **Discussion**

Under Section 11 of the *Local Government Act 2020* (the *Act*) Council can delegate its powers to members of a Delegated Committee or the Chief Executive Officer. This is documented using the following delegation:

- S5. Delegation from Council to the Chief Executive Officer (Attachment 11.3.1).

The Chief Executive Officer under section 47 of the *Act*, can sub delegate these powers to members of Council staff and Community Asset Committees.

Council is still able to delegate its powers directly to members of Council staff under various other pieces of legislation, such as the *Planning and Environment Act 1987* or the *Food Act 1984*. This is documented using the following delegation:

- S6. Delegation from Council to members of Council Staff (Attachment 11.3.2).

Instruments of Appointment and Authorisations allow Council to authorise or appoint a person to a particular statutory position. Under the *Planning and Environment Act 1987* an employee of Council can only be authorised by Council, this is done through the following:

- S11A. Instrument of Appointment & Authorisation (Planning and Environment Act 1987) (Attachment 11.3.3)

Authorisation of the Chief Executive Officer under various Act's is required and it is appropriate that this is resolved upon by Council, this is done through the following:

- S11. Instrument of Appointment & Authorisation – to the Chief Executive Officer (Attachment 11.3.4)

The primary difference between delegations and authorisations is that Council can delegate powers pursuant to the *Act* to a position and the person who holds that position undertakes those powers on Council's behalf (as the delegate). With Instruments of Appointment and Authorisations Council appoints others to specific statutory roles under the relevant Acts and therefore it is the specified individual that is then authorised to undertake the powers as opposed to simply acting as a delegate of Council.

### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategic objective to "we will all work in collaboration with our communities to deliver the best possible outcomes in all that we do".

### **Relevant Legislation**

The *Local Government Act 2020* section 11 provides for Council to delegate its powers to the Chief Executive Officer. The *Local Government Act 1989* section 224 provides for Council to authorise officers to undertake delegated powers. The instruments cover various pieces of legislation and Council's responsibilities.

### **Financial Implications and Risk**

Effective and efficient functioning of Local Government would not be possible without formal delegations to Council officers.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

**Community and Stakeholder Consultation**

No external community or stakeholder consultation was required for this matter.

**11.4 Councillor Portfolio Policy**

Attachment(s):

1. Councillor Portfolio Policy - June 2021 [11.4.1 - 3 pages]

**Purpose**

The purpose of this report is to present the Councillor Portfolio Policy for adoption.

**Officer Recommendation**

**That Council adopt the revised Councillor Portfolio Policy as contained in Attachment 11.4.1.**

**Background**

Council has historically had in place a portfolio system to enable Councillors to focus on specific areas of responsibility of Council, have input into the strategic and policy development on portfolio issues and to better inform Council. The Portfolio Councillor Policy articulates the role of, and support to be provided to, Portfolio Councillors.

The Policy was last reviewed in March 2019. At its 16 December 2020 Scheduled Meeting Council resolved on the portfolio structure for the 2021 year. The current portfolios include:

- Corporate and Governance - Cr Walsh
- Resource Recovery and Environment - Cr Haslam
- Community Assets and Emergencies - Cr Lording
- Planning and Compliance - Cr Carpenter
- Community Engagement and Wellbeing - Cr Gallagher
- Tourism, Events and Business Support - Cr Gerencser.

**Discussion**

The Councillor Portfolio Policy provides the framework and guiding principles for how the Portfolio structure operates and the guidance that will be provided to Councillors.

The key objectives of the Portfolio system as articulated in the Policy include:

- to enable Councillors to have a greater understanding and input to strategic and policy development on portfolio issues. This facilitates the active and regular engagement of Councillors in major planning, projects and services related to the portfolio
- to enable Councillors to advocate and 'champion on strategic and policy issues to Council and the community
- to enable the briefing of other Councillors on specialist areas by the Portfolio Councillor
- to assist Councillors develop the fullest possible understanding of matters being put to the Council, through the Portfolio Councillor leading discussion of relevant items.

The Policy defines the Councillors duties and outlines how the organisation will support the Councillors in fulfilling those duties.

The Councillor Portfolio Policy was adopted in March 2019 and highlighted for review in June 2021. The attached Policy has been reviewed in accordance with current practices and the following minor changes are proposed:

- include a definition of a "Portfolio"
- updating the role of the Councillor

- changes to the scope of the Policy to reflect a maximum of two years per term that a Councillor can represent a focus area.

These changes are incorporated into the attached revised Policy (Attachment 11.4.1) for endorsement by Council.

### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategy to “represent and advocate for our community in a transparent and equitable way”.

### **Relevant Legislation**

The *Local Government Act 2020* requires Council to best support Councillors in undertaking their role. Councillor Portfolios enable Councillors to be better informed regarding how Council provides services to the community.

### **Financial Implications and Risk**

Support to Portfolio Councillors is undertaken by Council officers as part of their normal duties.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

### **Community and Stakeholder Consultation**

No external community or stakeholder consultation was required for this matter.

## **11.5 Asset Insurance Premium**

Attachment(s): Nil

### **Purpose**

The purpose of this report is for Council to approve the payment of 2021/22 premium for Council's Asset Insurance Policy.

### **Officer Recommendation**

**That Council delegates the Chief Executive Officer to approve the payment of the 2021/22 premium for its Asset Insurance Policy (JMAPP) for the amount of \$150,586.59 (including GST).**

### **Background**

Council has several contracts in place for its various insurance requirements. This includes coverage for Council assets, public liability, workers compensation, motor vehicle and various other smaller policies.

Council manages its insurance requirements through contracts with insurance broker services. These brokers then source the coverage from various suppliers. Jardine Lloyd Thompson is Council's broker for the majority of its suite of insurable risk policies. One of the policies included in this suite is the provision of asset insurance. Council's annual premium of \$150,586.59 (including GST) exceeds the Chief Executive Officer's financial delegation of \$150,000 for goods and services.

### **Discussion**

In 2017, following an open market tender process Council entered into a contract for the Provision of Insurance Brokerage and Associated Services with Jardine Lloyd Thompson (JLT). This contract was appointed for an initial 3 year period with the option of 2 further years.



JLT secures a suite of insurance policies on Council's behalf, including public liability, professional indemnity and asset insurance. Council's asset insurance is covered by JMAPP (Municipal Asset Protection Plan) which is a mutual managed by JLT. The value of Council's asset base covered by this insurance for the 2021/22 year is \$159 million.

The global insurance market has seen substantive premium increases annually for the last few years. This year has been no exception. Whilst Council's claims history has not substantially impacted the premium, the effect of the market increase means that the premium now exceeds the CEO's financial delegation (\$150,000 for services).

### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategic objective to "we will all work in collaboration with our communities to deliver the best possible outcomes in all that we do".

### **Relevant Legislation**

This item is being brought to Council for resolution under the provisions of the *Local Government Act 1989* (now *Local Government Act 2020*).

### **Financial Implications and Risk**

The 21/22 Budget allows for all insurance related expenses, including the payment of this premium amount. Council has engaged an insurance broker to assist in mitigating Council's risk in regards to managing assets on behalf of the community. Council's insurance suite is an essential control in minimising and managing Councils operational and strategic risks.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

### **Community and Stakeholder Consultation**

No external community or stakeholder consultation was required for this matter.

## **11.6 Road Management Plan Review - Outcomes**

Attachment(s):

1. Road Management Plan Review - Report [11.6.1 - 79 pages]

### **Purpose**

This report is to inform Council of the outcomes of a formal review of Council's Road Management Plan (RMP) as required by the *Road Management Act 2004*.

### **Officer Recommendation**

That Council:

1. Note the attached Road Management Plan Review Report – May 2021
2. Make the attached Road Management Plan Review Report – May 2021 available for copying or inspection on Council's website in accordance with the Road Management (General) Regulations (2016) by 30 June 2021.
3. Note that the current Road Management Plan will be updated to include the recommended priority amendment - Reduce the service response time for "Sucker tree growth within road shoulder or verge, OR Trees or limbs encroaching into clear zone (1.5m behind edge of shoulders and minimum 5m height clearance over road pavement and shoulders)". This is currently set at 12 and 24 months and should be changed to 12 and 24 weeks (or shorter time period if deliverable by maintenance crews).
4. Note that in accordance with the Murrindindi Shire Council Road Management Regulations (General) 2016, this amendment requires the CEO to certify in writing

**that the amendment sets a higher standard than previously determined and therefore notice of the amendment is not required in accordance with Road Management General Regulations.**

- 5. Amend the Road Management Plan, following assessment of the feasibility of the recommendations as part of the review of Council's Road Asset Management Plan (RAMP) due to be completed in 2022-2023.**

### **Background**

The current Murrindindi Shire Council (MSC) Road Management Plan (RMP), adopted in 2017, is available on Council's website. The RMP details inspection and maintenance service standards for Council's public roads and road related infrastructure.

Council has a statutory obligation under the Road Management Act 2004 to review its RMP by 30 June 2021, in accordance with the Road Management Regulations (General) 2016.

Section 9 of the regulation states that:

- 1) In conducting a review of its road management plan, a road authority must ensure that the standards in relation to, and the priorities to be given to, the inspection, maintenance and repair of the roads and classes of road to which the plan applies are appropriate.
- 2) After a road authority has completed a review of its road management plan, it must-
  - (a) produce a written report summarising the findings and conclusions of the review; and
  - (b) make the report available for copy or inspection -
    - (i) at the place where the road management plan may be inspected or obtained in accordance with section 55(1)(b) of the Act; or
    - (ii) on an Internet site maintained by the road authority.

### **Discussion**

The current MSC RMP was reviewed in accordance with the Regulations.

The review assessed the clarity, completeness, appropriateness and readability of the document. It also considered the appropriateness of the road and path hierarchy classifications and the inspection and maintenance service standards in the context of existing financial and other constraints.

The review considered:

- Community satisfaction – Local Government Community Satisfaction survey results (2020)
- Feedback from Council staff responsible for implementation of the RMP
- Contents of road management plans made by other road authorities
- Ability of staff to comply with current standards
- Legal opinion from Maddocks Lawyers regarding several matters including:
  - Implications of decision of the Victorian Court of Appeal in Kennedy v Shire of Campaspe [2015] VSCA 215 (Kennedy) (and any other relevant authorities) that might influence the content of the RMP.
  - Main risks to Council if it does not have adequate information systems in place to monitor and report on its overall compliance with the standards for inspection, maintenance and repair of public roads set out in its RMP.
  - Importance of having formal road maintenance demarcation agreements with other road authorities.

The legal advice highlighted the importance of being able to demonstrate compliance with the standards set in the RMP in order to benefit from the protections provided by the Road

Management Act in the event of a claim for injury, loss or damage sustained on a road or road related asset.

The review identified one priority RMP amendment, that can be made without community notification as it does not reduce an existing standard. The review recommended that, as a priority, Council modify Table 4 of the current RMP, to reduce the service response time for "Trees or limbs intruding into road." The response times should be no longer than 12 weeks for Road Maintenance Standard (RMS) 1, 2, 3 and no longer than 24 weeks for RMS 4 and 5.

Other proposed amendments (summarised in section 7 of the attachment) are considered a lower priority. Many are administrative and minor in nature. Others are more significant and will require a change in work practices. Further investigation of their feasibility, in the context of community expectations, available funding, information system capabilities and resource constraints is warranted, particularly given the importance of being able to demonstrate compliance.

It is therefore recommended that a major overhaul of the RMP be delayed until 2022-23. This will allow officers the time to complete the review of Council's Road Asset Management Plan (RAMP). The RAMP review will look at all aspects of asset management and is expected to include community consultation and further investigation of Council's ability to comply with any modified inspection and maintenance standards and other amendments proposed in the review report.

The review report also notes a number of recommended actions considered necessary to support the implementation of future RMP improvements by:

- Investing in Council's asset management information system (currently ASSETIC)
- Creation of a rapid response crew
- Development of formal demarcation agreements with other road authorities
- Feasibility assessment for the introduction of a routine grading program
- Introduction of independent RMP compliance audits.

### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategy to "maintain Council's financial sustainability through sound financial and asset management".

### **Relevant Legislation**

Road Management Act 2004

Road Management Regulations (General) 2016

### **Financial Implications and Risk**

There are no financial implications in endorsing the attached review report and making a copy available.

There is a small risk that community members, having read the report, could increase their expectations regarding the way Council will manage its roads in the future.

The RMP is a tool used by the organisation to guide the inspection maintenance and repair of Council's public road network. If Council complies with the policies set out in its RMP, it can benefit from protection from liability in respect of injury, loss or damage caused by the state of a road. It will therefore be important to ensure Council's Asset Management Information System has reliable compliance reporting capability, before amending the RMP.

The review report recommends amendments to improve the current RMP. Future adoption of an amended RMP will have financial implications. These implications will be assessed as part of the

review of its Road Asset Management Plan (RAMP) prior to presenting an amended RMP to Council for endorsement.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

### **Community and Stakeholder Consultation**

No external community or stakeholder consultation was required for this matter.

Making the proposed priority RMP amendment will set a higher standard to the existing. In accordance with s10 of the Regulations, Council is therefore not required to give notice of this amendment if the CEO certifies in writing that the proposed amendment decreases the period time within which the defect is to be repaired.

## **11.7 CONT21/11 - Eildon Swimming Pool Vinyl Liner Installation - Tender Evaluation**

Attachment(s):

1. CONF Tender – CONT21/11 - Eildon Swimming Pool Vinyl Liner Installation - Tender Evaluation (distributed to Councillor separately) [**11.7.1** - 5 pages]

### **Purpose**

The purpose of this report is for Council to appoint a contractor for the provision of the supply and installation of a reinforced vinyl liner at the Eildon Swimming Pool.

### **Officer Recommendation**

**That Council:**

- 1. accept tender from Tender 1 and award CONT21/11 - Eildon Swimming Pool Vinyl Liner Installation for the lump sum price of \$259,000.50 (incl. GST).**
- 2. approve the allocation of \$25,900.05 (incl. GST) as a contingency amount to be used in the delivery of this contract as detailed in this report.**
- 3. release the name of Tender 1 into the Minutes of Scheduled Meeting of 23 June 2021.**

### **Background**

The Eildon Swimming Pool vessel was refurbished in 2002 where the existing concrete structure was renovated and a fiberglass liner installed. The fiberglass liner now has substantial expansion cracking, delamination of the lining and there is a large hole in the vessel. The liner has continued to fail each year causing significant water loss. The cracks have been repaired on numerous occasions however this is not sustainable and a permanent solution is now required.

Condition inspections have been completed with recommendations provided for the installation of a reinforced commercial vinyl liner as the most cost-efficient solution to resolve the issues.

This project is part of the State Government's Local Roads and Community Infrastructure (LRCI) scheme – Round 2 with a budget of \$259,983 (ex GST).

### **Discussion**

The request for tender was advertised from 28 April 2021 in the following publications:

- Alexandra Standard
- Yea Chronicle
- The Local Paper
- Council Website
- The Age
- Tendersearch portal

- Council Facebook page.

The tender for the works closed on 26 May 2021. Two submissions were received at the close of the tender.

Council's Procurement Policy requires that all tenders be evaluated by a tender evaluation committee (Committee). The Committee responsible for evaluating this tender comprised of:

- Coordinator Facilities
- Aquatics Operations & Active Living Officer
- Coordinator Recreation and Youth Service.

Tenders were assessed against the following criteria:

- Price – 40%
- Capacity to deliver (Resources, equipment) – 15%
- Capability to deliver (OHS Systems) – 15%
- Understanding of the requirement - 15%
- Relevant experience – 15%.

All submissions were assessed for compliance prior to evaluating. The Committee deemed all submissions compliant. Each submission was then evaluated to consider the suppliers ability to meet the requirements of the contract including their ability to deliver the works by the required timeline. Tenders were assessed with particular attention to the evaluation criteria requirements.

Tenders who were able to meet the required response times, demonstrated a sound understanding of the requirement, provided evidence of relevant experience and OHS systems including emergency management and working alone procedures were then shortlisted and evaluated further. A reference check was then completed on all preferred suppliers.

A detailed evaluation of the tenders is provided as a confidential attachment to this report.

Based on the analysis undertaken, the Committee recommend Tender 1 be awarded Contract 21/11 for Eildon Swimming Pool Vinyl Liner Installation for the lump sum price of \$259,000.50 (incl. GST).

### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategy to “maintain Council’s financial sustainability through sound financial and asset management”.

### **Relevant Legislation**

The procurement process for these works was carried out in accordance with Council’s Procurement Policy and section 186 of the *Local Government Act 1989*.

### **Financial Implications and Risk**

The total Local Roads and Community Infrastructure grant budget for the Eildon Swimming Pool Vinyl Liner Installation is \$285,981.30 (incl. GST) (\$259,983 excl. GST).

The project cost is summarised below:

Description	Cost (excl. GST)	Cost (incl. GST)
Tender Price	\$235,455.00	\$259,000.50
Contingencies	\$23,545.50	\$25,900.05
<b>Total Project Cost</b>	<b>\$259,000.50</b>	<b>\$284,900.55</b>

An allowance of \$25,899.50 (incl. GST) for contingencies is proposed to cover any latent conditions that may be experienced once the old liner is removed.

Project	Budget (incl. GST)	Total Project Cost (Incl. GST)	Variance (Incl. GST)
Eildon Swimming Pool Vinyl Liner Installation	\$285,981.30	\$284,900.55	\$1,080.75

The savings and any remaining budget contingencies at the completion of the project will be reported to Council as part of the regular capital works reporting. This funding is grant funding and can only be used to fund any variances from the Local Roads and Community Infrastructure approved list of projects.

#### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

#### **Community and Stakeholder Consultation**

No external community or stakeholder consultation was required for this matter.

### **11.8 CONT16/24 - Council Facilities Cleaning Services - Contract Variation**

Attachment(s): Nil

#### **Purpose**

This report seeks Council to endorse a variation to the total contract amount for the Council Facilities Cleaning Services (CONT16/24) to allow for variations to cleaning requirements during the existing extension of time.

#### **Officer Recommendation**

That Council:

1. **note that the financial variation of contract, CONT16/24 Council Facilities Cleaning Services will be executed in line with the contract terms**
2. **approve a variation of \$110,202.21 (incl. GST) (\$100,183.83 excl. GST) to the contract, CONT16/24 Council Facilities Cleaning Service, thus increasing the total contract amount to \$631,315.07 (incl. GST) (\$573,922.80 excl. GST).**

#### **Background**

At the 28 June 2017 Council meeting, the Council Facilities Cleaning Services contract was awarded to KC Facility Services Pty Ltd for the provision of cleaning services.

The Council resolution of the Council meeting of the 28 June 2017 was as follows:

That Council:

1. agrees to form a contract with KC Facility Services Pty Ltd (KC) for the provision of cleaning services for a two (2) year period with an additional optional two (2) year term subject to satisfactory performance, with an estimated total contract value of \$368,738.96 (excluding GST); and
2. authorise the signing and sealing of contract number 16/24 Council Facilities Cleaning services.

At the 27 May 2020 Council Meeting, Council applied for a Variation and Extension to the existing contract.

The Council resolution of the Council meeting of the 27 May 2020 was as follows:

That Council:

1. note that the fourth year of contract, CONT16/24 Council Facilities Cleaning Services will be executed in line with the contract terms
2. approve a variation of \$115,500.00 (incl. GST) (\$105,000.00 excl. GST) to the contract, CONT16/24 Council Facilities Cleaning Service, this increasing the total contract amount to \$521,112.86 (incl. GST) (\$473,738.98 excl. GST)
3. release this resolution into the Minutes of the Ordinary Meeting of 27 May 2020.

As the original total contract value of \$368,738.96 (excluding GST) approved by Council was not given a sufficient amount to allow for variations or changes to the service that are encountered when delivering a contract, a variation of the total contract amount was sought and approved by Council. Without the sought variation, the 2020-2021 cleaning services would have been unable to be implemented in accordance with the initial Council resolution.

The contractor has now satisfactorily completed the cleaning services for the first three years of the contract including part of the fourth and final year extension.

### **Discussion**

The commencement date for this contract was the 4 September, 2017. The initial term was 2 years and this expired on the 3 September 2019. On the 24 May 2019 the option to extend this contract was taken up for a further one year which ended on the 3 September, 2020. The final extension will end on 3 September 2021.

The annual tendered cost for core cleaning services is \$92,184.74 (excl. GST). In addition to the fixed tender cost, the contractor provided hourly rates for additional services. This included rates for additional cleaning. A number of these services have been required at various sites including;

- Furniture cleaning
- Steam cleaning
- Event cleaning in our halls and community centres
- Emergency cleaning (floods)
- Extended cleaning services at the Operations Centre for 3 new hire facilities.

In addition, due to COVID-19 cleaning requirements, KC Cleaning Services were engaged to undertake weekend (twice per day) cleaning of our main streets at Kinglake, Yea, Alexandra, Eildon and Marysville. This was an ongoing service until restrictions were lifted.

Due to the current COVID-19 requirements and with staff returning back to offices and libraries, KC Facility Services have also been engaged to complete touch point cleaning at all facilities on a daily basis, including meeting spaces (pre and post usage) and various locations for immunization and vaccination clinics.

To the end of May 2021, the total amount paid as part of this contract from commencement is \$459,868.11 (excl. GST).

To enable this contract to be executed to the end of the final term, officers are recommending a proposed additional variation of \$100,183.83 (excl. GST), which will increase the total value of the contract from \$473,738.98 to \$573,922.80 (excl. GST). This will allow further Covid-19 cleaning requirements to continue in addition to the routine specified cleaning. Following the completion of the second extension in September, the contract will then have reached the end of its term. It is intended to re-tender this service shortly.

### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategy to “maintain Council’s financial sustainability through sound financial and asset management”.

**Relevant Legislation**

The procurement process for these works was carried out in accordance with Council's Procurement Policy and section 186 of the *Local Government Act 1989*.

**Financial Implications and Risk**

The current budget for cleaning is \$95,415.48 incl. GST which accommodates the annual tender cost plus an amount for contingencies. In addition, the operational budget will accommodate the increased contract value until a new contract is awarded during the 2021/22 financial year where the budget will be reassessed.

**Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

**Community and Stakeholder Consultation**

No external community or stakeholder consultation was required for this matter.

**11.9 CONT17/5 - Street Sweeping Services - Contract Variation**

Attachment(s): Nil

**Purpose**

This report seeks Council to endorse a variation to the total contract amount for the Council Street Sweeping Services (CONT17/5) to allow for variations to street sweeping requirements during the existing extension of time.

**Officer Recommendation****That Council:**

1. **note that the financial variation of contract, CONT17/5 Council Street Sweeping Services will be executed in line with the contract terms**
2. **approve a variation of \$136,178.00 (incl. GST) (\$123,799.04 (excl. GST) to the contract, CONT17/5 Council Street Sweeping Service, thus increasing the total contract amount to \$693,564.06 (incl. GST) (\$630,512.78 excl. GST).**

**Background**

At the 24 May 2017 Council meeting, the Council Street Sweeping Services contract was awarded to Metro Urban Management Pty Ltd for the provision of street sweeping services. The Council resolution of the Council meeting of the 24 May 2017 was as follows:

**That Council:**

1. Accept the tender from Metro Urban Management Pty Ltd for the lump sum price of \$90,904.00/year including GST (\$82,640.00 excluding GST), with a contingency allowance of \$15,000.00/year including GST (\$13,636.36/year excluding GST), for a maximum of a five (5) year period totaling \$529,520.00 including GST (\$481,381.82 excluding GST).
2. Metro Urban Management Pty Ltd be appointed for an initial term of three (3) years and subject to satisfactory performance the Chief Executive Officer is authorised to grant two additional one-year extensions.
3. Authorise the signing and sealing of contract number CONT17/5 for Street Sweeping Services.

The contractor has satisfactorily completed the street sweeping services for the first three years of the contract including part of the first-year extension.

**Discussion**

The commencement date for this contract was the 1<sup>st</sup> July, 2017. The initial term was 3 years and this expired on the 1 July 2020. On the 7 April 2020 the option to extend this contract was taken



up for a further one year which ends on the 1 July 2021. The final extension will end on 1 July 2022.

The annual tendered cost for street sweeping services is \$82,640.00 (excl. GST). In addition to the fixed tender cost, the contractor provided hourly rates for additional services. This included rates for additional street sweeping. The services provided by this contract includes:

- General street sweeping
- Pit cleaning on request
- Site preparation and clean up for road maintenance works
- Autumn leaf clean up
- Emergency clean up
- Community event clean up.

To the end of May 2021, the total amount paid as part of this contract from commencement is \$493,077.74 (excl. GST). The current contract was resolved to have a total value over the five-year term of \$481,381.82 (excluding GST). The contract will exceed the total forecast value over the forecast five-year period as several factors were not considered in its development. These include total distance of additional curb and channeling added annually through roadwork programs that require maintenance, annual CPI increases not included in the original calculations for each of the subsequent 4 years of the program. The usage of the annualised contingency has mainly been used to facilitate the annual CPI increase, rather than the being utilised for necessary works.

With the proposed variation of \$137,435.04 (excl. GST), the total value of the contract will increase from \$481,381.82 to \$630,512.78 (excl. GST). Following the completion of this second extension, the contract will then have reached the end of its term and will need to be re-tendered in 2022.

### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategy to 'ensure the range of services we provide and the way we provide them are best aligned with community priorities and Council's resources'.

This item relates to the *Council Plan 2017-2021 Our Promise* strategic objective to 'maintain Council's financial sustainability through sound financial and asset management'.

### **Relevant Legislation**

The procurement process for these works was carried out in accordance with Council's Procurement Policy and section 186 of the *Local Government Act 1989*.

### **Financial Implications and Risk**

The 2020/2021 budget for street sweeping is \$128,307.00 incl. GST which accommodates the annual contract cost plus an amount for contingencies. In addition, the 2021/22 operational budget will accommodate the increased contract value until a new contract is awarded where the budget will be reassessed.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

### **Community and Stakeholder Consultation**

The street sweeping services contract was developed in consultation with all key internal stakeholders including Community Assets and Infrastructure Operations. There is no requirement for further consultation.

## 11.10 CONT20/36 - Eildon Floating Cities - Contract Variation

Attachment(s):

1. CONF Tender – CONT20/36 - Eildon Floating Cities – Contract Variation (distributed to Councillor separately) [11.10.1 - 1 page]

### Purpose

This report seeks Council endorse variation to the total contract amount for Contract CONT20/36 - Releasing Floating Cities – Lake Eildon in order to rectify significant latent condition issues discovered during construction which exceeds the current provisional sum amount.

### Officer Recommendation

That Council:

1. note that the approved total contract amount for contract CONT20/36 Releasing Floating Cities – Lake Eildon will be exceeded due to contract variations;
2. approve a nett variation amount of \$19,832.00 (Excl. GST) or \$21,815.20 (Incl GST) to CONT20/36;
3. approve the revised total contract amount from \$601,261.00 (Excl GST) to \$621,093.00 (Excl GST) or \$683,202.30 (Incl GST);
4. allocate \$19,832.00 (Excl. GST) or \$21,815.20 (Incl GST) savings from the Marysville Swimming pool liner renewal project in the Capital Works Program to fund the overspend until reimbursed by Goulburn-Murray Water; and
5. note that reimbursement from Goulburn-Murray Water of \$19,832.00 (Excl. GST) or \$21,815.20 (Incl GST) to fund the project contract variation will be received in the 2021/22 financial year as detailed by their written commitment.

### Background

At the 27 January 2021 Council meeting, the Release The Floating Cities contract was awarded to Fineblade Pty Ltd for the provision of road construction and ancillary works.

The Council resolution of the Council meeting of the 27 January 2021 was as follows:

That Council:

1. accept the tender from Fineblade Pty Ltd, for the lump sum price of \$601,261.00 (ex GST);
2. release this resolution into the Minutes of the Ordinary Meeting of January 2021.

The project is currently 99% complete.

### Discussion

A number of legitimate variations due to latent conditions have been requested during the execution of the contract by Fineblade Pty Ltd. The bulk of the variations occurred in the month of May as the project progressed to near complete and were made up a number of costs as well as variation deductions. Through the approval of the variations and the finalisation of the contract accounts, it was determined that the nett total variation amount would increase the total contract amount greater than the approved value.

Cost variations were largely comprised of bulk earthworks, earthworks to remove unsuitable material, reinstatement of suitable material and some minor drainage pipe size adjustments (the size of the existing underground pipes shown on the drawings were different than size identified on site). The total additional contract variation costs equated to \$94,116.50 (Excl GST).

Through the course of the project a number of items on the provisional list were deemed not required during the construction. These deductions included the reduction of bulk earthworks rates and the reduction of the pavement thickness required to reach subgrade level (included in case the bulk earthwork previously completed was lower than expected). In addition, some items

within the project agreed by the stakeholders, were removed such as the slab for a small future shed for the boat maintenance workers. As a result of all of the deductions, the total contract deduction is \$74,284.5 (Excl GST).

When considering the total variation cost as well as the variation deductions the total variation amount is \$19,832.00 (Excl GST). This results in an increase of the total contract amount from the approved total of \$601,261.00 (Excl GST) to \$621,093.00 (Excl GST) or \$683,202.30 (Incl GST).

### **Council Plan/Strategies/Policies**

This report supports the *Council Plan 2017-2021 Our Promise* strategy to “ensure our culture, systems and technologies encourage and enable innovation in our business practices and service delivery”.

### **Relevant Legislation**

The procurement process for these works was carried out in accordance with Council’s Procurement Policy and Section 186 of the *Local Government Act 1989*.

### **Financial Implications and Risk**

Funding is required to fund the total contract variation of \$19,832.00 (Excl GST). Goulburn-Murray Water has provided written confirmation that they will fund the overspend however have requested that funding be provided in the 2021/22 financial year.

The contract will be at practical completion soon and final contract payment is required by 30 June 2021. As Council is the contract manager, Council is obliged to payout the contract so an interim funding arrangement is required to finalise the contract accounts. This also allows for the acquittal of funds from the grant agreement which is also required by 30 June 2021. It is recommended that Council fund the payment of the contract variation through savings within the capital works program and recoup the funds once Goulburn-Murray Water reimburse Council in the 2021/22 financial year. This will be at no cost to Council as Goulburn-Murray Water have confirmed in writing that they will reimburse Council for the total variation amount in the 2021/22 financial year.

It is therefore recommended that Council allocate \$19,832.00 (Excl. GST) or \$21,815.20 (Incl GST) savings from the Marysville Swimming pool liner renewal project in the Capital Works Program to cover the overspend until reimbursed by Goulburn-Murray Water in the 2021/22 financial year.

### **Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

### **Community and Stakeholder Consultation**

No external community or stakeholder consultation was required for this matter.

## **12 NOTICES OF MOTIONS**

## **13 MATTERS DEFERRED FROM PREVIOUS MEETING**

## **14 URGENT BUSINESS**

- 15 COUNCILLOR REPORTS**
- 15.1 Cr Karine Haslam**
- 15.2 Cr Ilona Gerencser**
- 15.3 Cr Eric Lording**
- 15.4 Cr John Walsh**
- 15.5 Cr Damien Gallagher**
- 15.6 Cr Sue Carpenter**
- 15.7 Cr Sandice McAulay - Mayoral Report**
- 16 CHIEF EXECUTIVE OFFICER REPORT**
- 17 ASSEMBLIES OF COUNCILLORS**

**Purpose**

This report presents the records of assemblies of Councillors for 26 May 2021 to 16 June 2021, for Council to note in accordance with Section 80A of the *Local Government Act 1989* (the Act).

**Officer Recommendation**

**That Council receives and notes the record of assemblies of Councillors for 24 May 2021 to 18 June 2021.**

**Background**

In accordance with Section 80A of the Act, written assemblies of Councillors are to be reported at an Scheduled Meeting of Council.

An assembly of Councillors includes advisory committees, where one or more Councillors were present, along with planned or scheduled meetings involving at least half of the Councillors and a Council officer.

A Councillor who has a conflict of interest at an assembly of Councillors, must disclose the conflict of interest, and leave the meeting while the matter is being discussed.

**Discussion**

A written record is required to be kept of every assembly of Councillors, including the names of all Councillors and staff at the meeting, a list of the matters considered, any conflict of interest disclosed by a Councillor, and whether a Councillor who disclosed a conflict left the meeting.

The following summary details are for 26 May 2021 to 16 June 2021:

Meeting Name/Type	Council Pre-Meet
Meeting Date:	26 May 2021
Matters Discussed:	<ol style="list-style-type: none"> <li>1. Child Safe Policy</li> <li>2. Audit and Risk Committee Confirmation of Minutes</li> <li>3. Review of the Audit and Risk Committee Charter</li> <li>4. Mayoral and Councillor Allowances – for Public Submission</li> <li>5. CONT21/7 – Supply and Delivery – Tandem Drive Tipper 26T GVM Truck – Tender Evaluation</li> <li>CONT21/10 – Mary and Anne Street, Yea – Sealing Upgrade – Tender Evaluation</li> </ol>
Councillor Attendees:	Cr S Carpenter, Cr D Gallagher, Cr K Haslam, Cr E Lording, Cr S McAulay, Cr J Walsh
Council Officer Attendees:	M Chesworth, S Brown, M Kearney, T Carter, C Lintott, S Coller, S Porter
Conflict of Interest Disclosures: Nil	

Meeting Name/Type	Briefing Session
Meeting Date:	2 June 2021
Matters Discussed:	<ol style="list-style-type: none"> <li>1. Councillor Portfolio Policy</li> <li>2. Tourism &amp; Events Strategy Update</li> <li>3. Bushland Management Review</li> </ol>
Councillor Attendees:	Cr S Carpenter, Cr D Gallagher, Cr K Haslam, Cr I Gerencser, Cr E Lording, Cr S McAulay, Cr J Walsh
Council Officer Attendees:	M Chesworth, S Brown, M Kearney, V Albicini, B Byrne, T Carter, S McNair, J Kirkwood, M Thomas
Conflict of Interest Disclosures: Nil	

Meeting Name/Type	Briefing Session
Meeting Date:	9 June 2021
Matters Discussed:	<ol style="list-style-type: none"> <li>1. Workforce Planning and Gender Equality Update</li> <li>2. Delegations</li> <li>3. Library Services Review – Terms of Reference</li> <li>4. Road Management Plan Review (Requirement under the Road Management Act)</li> <li>5. Kinglake RAC – Update</li> <li>6. Grants and Contributions Program – NAIDOC Week Application</li> <li>7. Unscheduled Meeting of Council – Pre-brief</li> </ol>
Councillor Attendees:	Cr S Carpenter, Cr D Gallagher, Cr K Haslam, Cr I Gerencser, Cr E Lording, Cr S McAulay, Cr J Walsh
Council Officer Attendees:	L Bonazzi, M Chesworth, S Brown, M Kearney, V Albicini, T Carter, G Haylock, J Fox, J Rabel, L Kotschet, L Kelly, S Russell, S Coller
Conflict of Interest Disclosures: Nil	

Meeting Name/Type		Workshop Session		
Meeting Date:		16 June 2021		
Matters Discussed:		<ol style="list-style-type: none"> <li>1. Climate Risk Workshop</li> <li>2. Insurance Premium Update</li> <li>3. Capital Works Monthly Report</li> <li>4. CONT21/11 - Eildon Swimming Pool Vinyl Liner - Tender Evaluation</li> <li>5. CONT16/24 - Council Facilities Cleaning Services - Contract Variation</li> <li>6. CONT17/5 - Street Sweeper Services - Contract Variation</li> <li>7. CONT20/36 - Eildon Floating Cities - Contract Variation</li> <li>8. Alexandra Landfill</li> <li>9. Great Victorian Rail Trail Strategic Plan Update</li> </ol>		
Councillor Attendees:		Cr S Carpenter, Cr D Gallagher, Cr K Haslam, Cr I Gerencser, Cr E Lording, Cr S McAulay, Cr J Walsh		
Council Officer Attendees:		L Bonazzi, M Chesworth, S Brown, V Albicini, T Carter, C Allingham, M Thomas, S Russell, S Collier, A Paix		
Conflict of Interest Disclosures: Yes				
Matter No.	Councillor making disclosure	Was a vote taken?	Did the Councillor leave the room?	When? Before or after discussion?
8.	Cr D Gallagher	No	Yes	Before

### Council Plan/Strategies/Policies

This matter is consistent with the *Council Plan 2017-2021 Our Promise* strategy to 'expand our communication'.

### Relevant Legislation

For full details of Council's requirement for assemblies of Councillors, refer to Section 80A of the *Local Government Act 1989*.

### Financial Implications and Risk

There are no financial or risk implications.

### Conflict of Interest

Any conflicts of interest are noted in the assembly of Councillors tables listed above.

## 18 SEALING REGISTER

File Reference	Date Seal Affixed	Description of Documents	Signatures of Persons Sealing
CY20/40	26 May 2021	Formal Instrument of Agreement between Murrindindi Shire Council and Bells Civil Excavations Pty Ltd for Gravel Roads Resheeting Program 2021	Cr Sandice McAulay Michael Chesworth
21/44357	1 June 2021	Agreement made pursuant to Section 173 of the Planning and Environment Act 1987 between Murrindindi Shire Council and Simon Keith Paterson for Property: Lot 1 on PS509307M, Kings Road, Marysville Victoria	Michael Chesworth

### Officer Recommendation

That the list of items to which the Council seal has been affixed be noted.

