



SPECIAL MEETING OF COUNCIL

Minutes of the Special Meeting of Council
held at the Council Chamber,
15 Stead Street, Ballan
on Wednesday 20 December 2017,
at 5.00 p.m.

Members:

Cr. Paul Tatchell (Mayor)	Central Moorabool Ward
Cr. John Keogh (Deputy Mayor)	East Moorabool Ward
Cr. David Edwards	East Moorabool Ward
Cr. Tonia Dudzik	East Moorabool Ward
Cr. Jarrod Bingham	East Moorabool Ward
Cr. Tom Sullivan	West Moorabool Ward
Cr. Pat Toohey	Woodlands Ward

Officers:

Mr. Rob Croxford	Chief Executive Officer
Mr. Phil Jeffrey	General Manager Infrastructure
Mr. Satwinder Sandhu	General Manager Growth and Development
Mr. Danny Colgan	General Manager Community Services

Rob Croxford
Chief Executive Officer

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1. OPENING OF MEETING

The Mayor, Cr. Tatchell, opened the meeting at 5.03 pm.

2. ACKNOWLEDGEMENT TO COUNTRY

We respectfully acknowledge the traditional owners of this land, their spirits and ancestors.

3. RECORDING OF MEETING

As well as the Council for its minute taking purposes, the following organisations have been granted permission to make an audio recording of this meeting of Council:

- The Moorabool News; and
- The Star Weekly

4. PRESENT

Cr. Paul Tatchell (Mayor) Central Moorabool Ward
Cr. John Keogh (Deputy Mayor) East Moorabool Ward
Cr. Tonia Dudzik East Moorabool Ward
Cr. Jarrod Bingham East Moorabool Ward
Cr. Tom Sullivan West Moorabool Ward
Cr. Pat Toohey Woodlands Ward

Officers:

Mr. Satwinder Sandhu General Manager Growth and Development
Mr. Phil Jeffrey General Manager Infrastructure
Mr. Danny Colgan General Manager Social and Organisational Development
Mr. Steve Ivelja Chief Financial Officer
Ms. Sam Romaszko Manager Engineering Services
Mr. James Hogan Senior Business Accountant
Mr. Tristan May Senior Project Engineer
Mr. Simon Blanchfield Design Engineer
Mr. John Whitfield Governance Coordinator / Minute Taker
Mr. Terry Bramham Macquarie Local Government Lawyers

5. APOLOGIES

Cr. David Edwards East Moorabool Ward

6. DISCLOSURE OF CONFLICT OF INTEREST

Under the Local Government Act (1989), the classification of the type of interest giving rise to a conflict is; a direct interest; or an indirect interest (section 77A and 77B). The type of indirect interest specified under Section 78, 78A, 78B, 78C or 78D of the Local Government Act 1989 set out the requirements of a Councillor or member of a Special Committee to disclose any conflicts of interest that the Councillor or member of a Special Committee may have in a matter being or likely to be considered at a meeting of the Council or Committee.

Definitions of the class of the interest are:

- a direct interest
 - (section 77A, 77B)
- an indirect interest (see below)
 - indirect interest by close association (section 78)
 - indirect financial interest (section 78A)
 - indirect interest because of conflicting duty (section 78B)
 - indirect interest because of receipt of gift(s) (section 78C)
 - indirect interest through civil proceedings (section 78D)
 - indirect interest because of impact on residential amenity (section 78E)

Time for Disclosure of Conflicts of Interest

In addition to the Council protocol relating to disclosure at the beginning of the meeting, section 79 of the Local Government Act 1989 (the Act) requires a Councillor to disclose the details, classification and the nature of the conflict of interest immediately at the beginning of the meeting and/or before consideration or discussion of the Item.

Section 79(6) of the Act states:

While the matter is being considered or any vote is taken in relation to the matter, the Councillor or member of a special committee must:

- (a) leave the room and notify the Mayor or the Chairperson of the special committee that he or she is doing so; and
- (b) remain outside the room and any gallery or other area in view of hearing of the room.

The Councillor is to be notified by the Mayor or Chairperson of the special committee that he or she may return to the room after consideration of the matter and all votes on the matter.

There are important reasons for requiring this disclosure immediately before the relevant matter is considered.

- Firstly, members of the public might only be in attendance for part of a meeting and should be able to see that all matters are considered in an appropriately transparent manner.
- Secondly, if conflicts of interest are not disclosed immediately before an item there is a risk that a Councillor who arrives late to a meeting may fail to disclose their conflict of interest and be in breach of the Act.

6.1 Disclosure of a Direct Conflict of Interest

Cr. Keogh declared a Direct Conflict of Interest in relation to Item 10.1 as one of the tenderers is a client of his.

7. PRESENTATIONS / DEPUTATIONS

The Council has made provision in the business of the Special Meeting of the Council for the making of presentations or deputations to Council in relation to matters presented on the agenda for Council consideration.

Presentations or deputations are required to be conducted in accordance with the requirements contained within the **Presentation/Deputations Protocols and Procedural Guidelines**.

Persons wishing to make a presentation or deputation to the Council on a matter included in the agenda shall inform Council by 1pm on the Friday prior to the meeting by contacting the Chief Executive Officer's Office and registering their name and agenda item being spoken to.

At the meeting the Mayor will invite the persons wishing to make a presentation or delegation to address the Council on the agenda item.

The person making the presentation or deputation is to stand and address the Council on the item. No debate on the item is permitted between the person making the presentation or delegation and the Council.

A maximum of three minutes per presentation or delegation will be allocated. An extension of time may be granted at the discretion of the Mayor.

Councillors, through the Mayor, may ask the person making the presentation or delegation for clarification of matters presented.

The Mayor may direct that a member of the gallery ceases speaking if the above procedure is not followed.

List of Persons making Presentations/Deputations other than in relation to a planning item listed on the agenda:

Item No	Description	Name	Position
8.1	Achieving Good Governance	Mr. Robert McLaren	Supporter
8.3	Main Street, Gordon – Township Improvements Concept Plan	Mr. Scott Graham	Supporter and Objector
8.3	Main Street, Gordon – Township Improvements Concept Plan	Mr. Robert McLaren	Supporter

List of Persons making Presentations/Deputations to a planning item listed on the agenda:

Individuals seeking to make a presentation to the Council on a planning item listed on the agenda for consideration at the meeting will be heard by the Council immediately preceding consideration of the Council Officer's report on the planning item.

Item No	Description	Name	Applicant/ Objector/ Supporter

8. BUSINESS

Consideration of Presentation in relation to Item 8.1 - Achieving Good Governance.

Mr. Robert McLaren addressed Council as a supporter.

The business of the meeting then returned to the agenda.

8.1 Achieving Good Governance

Introduction

Author: Terry Bramham of Macquarie Local Government Lawyers
General Manager: Satwinder Sandhu

Introduction

At its Special Meeting of Council held on 19 July, 2017 Council considered a report from the Chief Executive Officer titled 'Councillor Support Assistance Program 2017/18'.

Council made several decisions including my appointment as an interim Governance Monitor.

Role of Monitor

The role of the monitor was to:

- Observe Council meetings with the objective of providing feedback to Councillors regarding performance;
- Where the feedback related to individuals, separately meet with those Councillors; and
- Review Officer reports to assess whether they are meeting the needs of the Council.

Council Meetings Attended

This report is based on three (3) Council meetings attended on 2 August, 6 September and 4 October 2017.

Observations

All Councillors were observed to display the integrity requirements under the Councillor Code of Conduct and were respectful to each other, Council staff members and the gallery members attending the meetings.

At a subsequent informal meeting with all Councillors, the following advice was provided:

- When declaring a conflict of interest, a Councillor must identify whether they have a direct or indirect interest, the type of indirect interest if relevant, and a brief description of the circumstances of the conflict of interest;

- Use of correct meetings procedure terminology is important such as when referring to a recommendation contained in an Officer's report, moving a motion (or foreshadowing a motion), and referencing a Council resolution;
- Operational matters should not be raised at Council meetings because they are the responsibility of the Chief Executive Officer as part of his statutory functions under s 94A of the *Local Government Act 1989*.
- Given the statutory requirement of Councillors to make an **informed** decision when considering an item of business at Council meetings, it is preferable to **defer** the item to allow for further information or advice to be provided by Council staff;
- Any deferral motion must not include an inappropriate direction to Council staff to avoiding contravening s 76E (Improper direction) of the Act; and
- When temporarily closing a meeting to consider a confidential item, the motion must also specify the type of matter (e.g. contractual issue).

Meetings with Individual Councillors

Separate private meetings were held with several Councillors to provide individual feedback regarding performance at the meetings.

Officer Reports

Councillors would be assisted with their decision making if Officer reports were condensed. However, having regard to the Chief Executive Officer's comments in the Councillor Support and Assistance Program report that "tensions of late both within the Council chamber, between Officers and Councillors, and issues externally, largely on social media", it is understandable why the reports are currently more comprehensive.

To reduce the content of the reports which is desirable, it is essential, and in the mutual interests of both Councillors and Officers, that the relationship of trust be improved which in turn, will reflect Council decisions based on good governance.

Recommendation:

- 1. That Council alter the current seating arrangements of Council staff at Council meetings so that staff face all Councillors when providing advice.**
- 2. That Councillors approach relevant Council staff for professional advice when proposing to move a motion that will be different to a recommendation contained in an Officer's report in order to ensure:**
 - i) that the motion is appropriately worded; and**
 - ii) that Councillors are provided with relevant information to support the motion during debate.**
- 3. That Council staff provide the advice as requested by a Councillor in Recommendation 2 to all Councillors to avoid a surprise situation at the meeting.**

4. That Councillors seeking professional advice approach Council staff sufficiently in advance of the meeting to ensure the provision of quality advice.
5. That Councillors, in order to promote ongoing governance development, particularly in the area of meetings procedure, have access to external professional advice provided by a person appointed by Council for this purpose.

Resolution:

Crs. Bingham/Sullivan

1. *That Council alter the current seating arrangements of Council staff at Council meetings so that staff face all Councillors when providing advice.*
2. *That Councillors approach the General Manager Growth & Development for professional advice when proposing to move a motion that will be different to a recommendation contained in an Officer's report in order to ensure:*
 - i) *that the motion is appropriately worded; and*
 - ii) *that Councillors are provided with relevant information to support the motion during debate.*
3. *That Council staff provide the advice as requested by a Councillor in Recommendation 2 to all Councillors to avoid a surprise situation at the meeting.*
4. *That Councillors seeking professional advice approach Council staff sufficiently in advance of the meeting to ensure the provision of quality advice.*
5. *That Councillors, in order to promote ongoing governance development, particularly in the area of meetings procedure, have access to external professional advice provided by a person appointed by Council for this purpose.*

CARRIED.

Report Authorisation

Authorised by:

Name: Satwinder Sandhu
Title: General Manager, Growth & Development
Date: Tuesday, 12 December, 2017



8.2 Lal Lal Wind Farm Energy Facility – Road Dilapidation Deed

Introduction

Author: Sam Romaszko
General Manager: Phil Jeffrey

Background

The Lal Lal Windfarm Facility will be located in the west of the Shire and include the construction of 60 wind turbines and associated infrastructure. The project includes two sites identified as Yendon and Elaine.

The site in Yendon located approximately 3km north of Lal Lal and extends across approximately 2,100 hectares of land. The Elaine site is located approximately 8km south of Lal Lal and extends across approximately 850 hectares of land.

Macquarie Group Pty Ltd is the developer leading the project and has nominated proposed preliminary construction works to commence February 2018. These works include the upgrade of key access points from Council's road network into private property, along with the construction of internal access roads.

A key consideration during planning approval for the project is the potential impact on Council's road network. Planning conditions incorporate a range of provisions to ensure the local road network does not suffer at Council's expense, therefore the developer is required to present Council with a proposal to satisfy this condition.

As such, a draft Road Dilapidation Deed has been prepared for consideration, intended to outline the process by which the windfarm will fulfil its obligations in consultation with Council, and Council's requirements in relation to the restoration works to occur as a result of the construction project.

The State Government's Minister for Planning has approved the traffic management plan which identifies various roads likely to be used during the project. A supplementary traffic management plan will be prepared by the lead construction contractor which will outline in further detail the source of proposed road building material and the final haulage routes.

Proposal

A draft Road Dilapidation Deed has been prepared by the windfarm for consideration by Council which looks to satisfy all requirements under the Planning Permit Condition. The key areas within the deed are:

Maintenance Requirements

The windfarm will undertake the necessary maintenance on all Council route roads identified in the traffic management plan which is over and above usual council maintenance practices.

Road Rectification

The windfarm will repair or rehabilitate any roads that fail during the construction of the facility.

Post Construction Reinstatement

The road rectification process includes undertaking a baseline assessment survey prior to construction commencing along with undertaking a post construction assessment survey. The level of deterioration over the windfarm construction life will then be multiplied by the length of road affected with a fixed monetary figure to be reimbursed to Council for the rectification of road.

Design Traffic Loadings

All road pavements have a theoretical design life which is influenced by a range of factors, one being the proposed traffic both in quantity of vehicles and also classification of vehicles. As the development will include a significant increase in heavy vehicles, there is a possibility the post assessment condition survey may determine there is no visible deterioration of the pavement. Although there may be no visible deterioration, there will be a theoretical pavement design life deduction due to the increase in heavy vehicles.

The attached draft Road Dilapidation Deed details the developer's proposal. Council officers are currently working with the developer to finalise items within the Deed to provide more clarity around the items listed above to satisfy council requirements. It is proposed to use this document as a template for both Lal Lal and Moorabool windfarms.

Policy Implications

The 2017-2021 Council Plan provides as follows:

Strategic Objective 2:	Minimising Environmental Impact
Context 2A:	Built Environment
Action 7:	Develop and resource plan to act as responsible authority for administration and enforcement of permits in relation to windfarms

The proposal is consistent with the 2017–2021 Council Plan.

Financial Implications

The purpose behind the implementation of the road dilapidation deed is to protect council financially against potential road maintenance and rectification costs. Therefore there is no financial implication associated with the recommendation within this report.

Risk & Occupational Health & Safety Issues

Key risks associated with the windfarm development with reference to the road dilapidation deed include:

- Council's route roads failing due to the increased loads and the developer not rectifying under the dilapidation deed requirements.
- Maintenance of the designated route roads directly required attributed to the development will be unknowingly undertaken by Council's Works staff.
- The developer sourcing road building material from local quarries which may impact Council's ability to undertake annual road rehabilitation and resheeting programs.

Communications Strategy

There is no communication with the community proposed at this stage. Council will work with the developer to monitor the condition of the road network during the construction of the windfarm and determine if any public notification is required.

Victorian Charter of Human Rights and Responsibilities Act 2006

In developing this report to Council, the officer considered whether the subject matter raised any human rights issues. In particular, whether the scope of any human right established by the Victorian Charter of Human Rights and Responsibilities is in any way limited, restricted or interfered with by the recommendations contained in the report. It is considered that the subject matter does not raise any human rights issues.

Officer's Declaration of Conflict of Interests

Under section 80C of the Local Government Act 1989 (as amended), officers providing advice to Council must disclose any interests, including the type of interest.

General Manager – Phil Jeffrey

In providing this advice to Council as the General Manager, I have no interests to disclose in this report.

Author – Sam Romaszko

In providing this advice to Council as the Author, I have no interests to disclose in this report.

Conclusion

Representatives of the Lal Lal Windfarm Facility are working with Council officers to finalise a Road Dilapidation Deed to ensure Council's road network is protected during construction activities. The deed approach is supported to provide clarity on road rectification and maintenance during construction. It is also proposed to use this as a template for both Lal Lal and Moorabool windfarms.

Recommendation:**That Council:**

1. **Endorses in principle the draft Road Dilapidation Deed.**
2. **Uses this Road Dilapidation Deed as a template for dealing with road dilapidation matters associated with future wind farm developments.**
3. **Authorises the General Manager Infrastructure to work with wind farm representatives to finalise the Road Dilapidation Deed for each facility.**

Resolution:**Crs. Sullivan/Keogh*****That Council:***

1. ***Endorses in principle the draft Road Dilapidation Deed.***
2. ***Uses this Road Dilapidation Deed as a template for dealing with road dilapidation matters associated with future wind farm developments.***
3. ***Authorises the General Manager Infrastructure to work with wind farm representatives to finalise the Road Dilapidation Deed for each facility.***
4. ***Requests the General Manager Infrastructure to seek legal advice on the draft Road Dilapidation Deed to ensure it properly protects the Council's interests.***

CARRIED.

Report Authorisation**Authorised by:****Name:** Phil Jeffrey**Title:** General Manager Infrastructure**Date:** Wednesday, 13 December 2017

8.3 Main Street, Gordon – Township Improvements Concept Plan

Consideration of Presentation in relation to Item 8.3 - Township Improvements Concept Plan

Mr. Scott Graham addressed Council as a supporter and objector.

Ms. Alice Ogilvie addressed Council as a supporter.

Mr. Robert McLaren addressed Council as a supporter.

The business of the meeting then returned to the agenda.

Introduction

Author: Sam Romaszko
General Manager: Phil Jeffrey

Background

In 2015, Council commissioned an Infrastructure Study for the township of Gordon which provided strategic direction for future road, drainage & footpath network upgrades throughout the town to service current and anticipated growth. The study provided key outcomes which inform future infrastructure upgrades.

Council has subsequently included in the 2017/18 Capital Improvement Program an allocation of \$50,000 for engineering and landscape design works in Main Street, Gordon between Old Western Highway and Stanley Street.

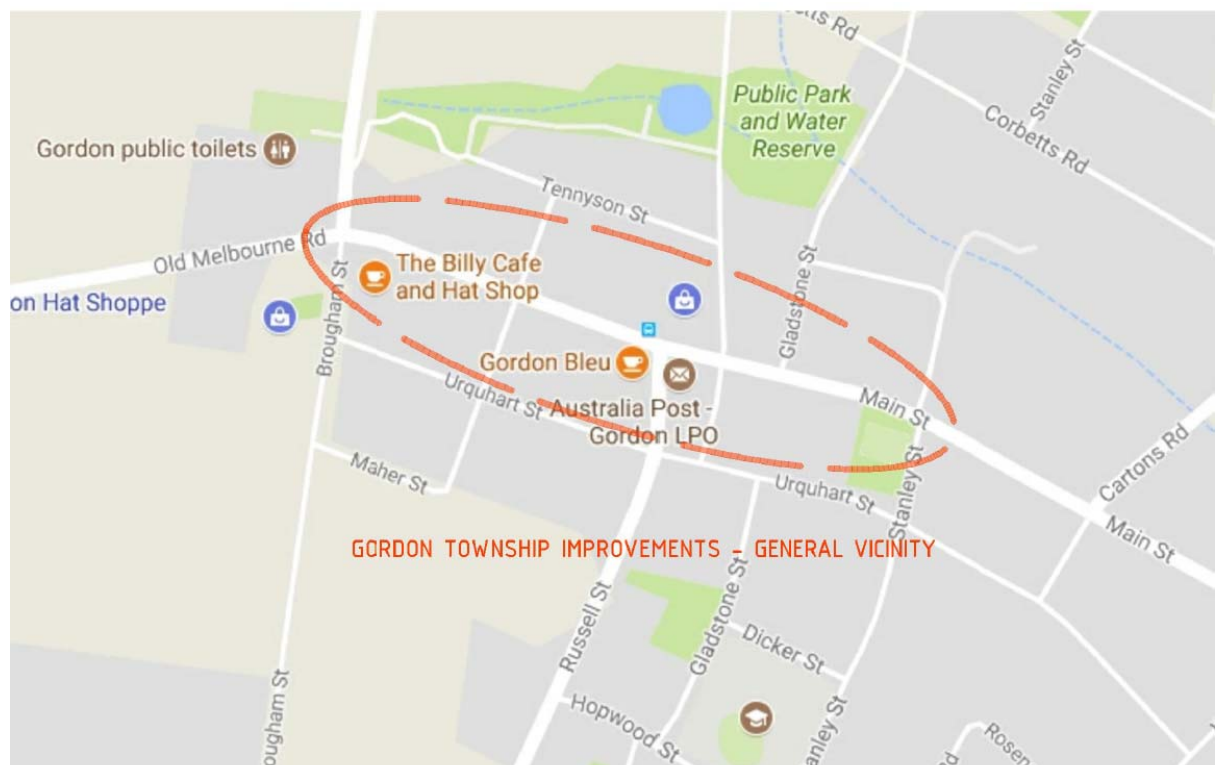


Fig 1. Township Improvements focus – Main Street, Gordon (from Old Western Highway to Stanley Street)

A concept plan has been developed that includes engineering and landscape design elements that further develop scenarios from the Infrastructure Study. The plan gives consideration to:

- Intersection treatments at Old Western Highway and Russell Street
- Street trees and feature planting
- Footpath network and pedestrian connectivity
- Community amenity areas
- Parking provisions
- Drainage improvements

Community consultation sessions were held to source community feedback on the conceptual layout plans for the main street. The sessions were held at the Gordon Public Hall in Main Street, Gordon on Tuesday 21 November and Thursday 23 November 2017. The sessions were advertised via a number of platforms including social media, newspaper, community notice boards, letter drops to directly affected residents and council's website.

The sessions were attended by in excess of 40 community members with 26 submissions received through a questionnaire developed to further inform the design process. Overall the conceptual plans were generally well received by the community with the majority of feedback generally being positive.

Council officers provided further opportunity for the community to contribute ideas towards the project via Council's Have Your Say online portal. The portal was open for 2 weeks and closed Friday 8 December 2018. Council received four submissions through this medium

A detailed summary of the community feedback can be viewed within the attached report. Key feedback items from submissions received included:

- 74% agreed with the inclusion of an amenity area (seating, low planting, paving etc.) with the majority believing the intersection of Russell and Main St being the most appropriate location
- 66% of respondents thought that new trees should be planted on the southern side of Main Street
- Over 50% supported autumn foliage as the most appropriate street tree theme for the main Street
- 55% had no objection to removing the bluestone open drain and re-using the material as a feature as part of any new amenity area.
- 50% supported the construction of a footpath on the southern side of Main Street for the length subject site.

The purpose of this report is to present the concept plans developed, associated community feedback and officers recommendations for approval to proceed to detailed design.

Proposal

It is proposed that the Council adopt the concept plans presented to the community, inclusive of the following recommendations that have taken into consideration community feedback, consultants and council officers;

Main Street/ Old Western Highway Intersection

The intersection of Main Street and Old Western Highway/Brougham Street be designed as a roundabout in accordance with the alternate design arrangement shown on the Concept Plan. This treatment will provide achieve greater safety outcomes for all road users as this will slow east bound vehicles entering the Main Street at this location. A roundabout will also act as an entrance or gateway to the Main Street and give greater emphasis to the streetscape precinct.

Footpath Works

The concept plan shows a 2.5m wide shared path from Old Western Highway to Stanley Street on the southern side. It's proposed to reduce this to a standard 1.5m wide pedestrian sealed footpath with a consistent offset of between 0.5m - 1m from the boundary line. The reduction in width is proposed to allow for wider nature strips to incorporate an improved street tree layout.

This would see cyclists utilise the road pavement, with widening of the carriageway, and further design elements including kerb outstands amended to ensure a safe path of travel for cyclists within the town. It is noted that children aged 12 years and under are legally allowed to ride on a standard footpath.

Footpath connectivity

Feedback received highlighted a lack of connectivity through the township. As a result, the scope of footpath design will be expanded to investigate footpath connectivity along Main Street from Gordon Recreation Reserve to St. Michaels Catholic Primary School at the western end of the town.

Main Street/Russell Street Intersection

A number of options were presented in relation to the Russell Street and Main Street intersection. The implementation of the alternate design arrangement shown on the concept plan will see improved pedestrian connectivity through the construction of kerb outstands and splitter island, and also increased amenity landscaping outcomes.

Within this precinct area, there are 10 existing parking spaces. The design proposes to formalise these parking bays in a consistent manner and may achieve up to 15 parking bays, in the event the bus stop is relocated. The design will aim to maximise parking opportunities in this area and aim to achieve a net increase of car parking spaces.

Street Trees

Feedback received nominated landscaping and aesthetics as the most important aspect of the proposed design. The tree species nominated on the concept plan have been carefully considered due to restriction of overhead power lines. Powercor conducts tree trimming for line clearance on a three year cycle, and therefore planting unsuitable species in this area would denigrate the aesthetic appeal with heavily trimmed trees once established.

Given this, the street tree layout nominated shall be generally in accordance with the concept plan. Further investigation of a double row of street trees along the southern nature strip will occur, following a number of requests by community members.

Bluestone Open Swale Drain (South side)

There is an existing bluestone picher open drain on the south side of Main Street, between Lyndhurst Street and Stanley Street which isn't specifically shown on the Concept Plan. Residents were asked if they would object to the drain being removed (and replaced with another form of drainage) to which there were some strong views to assess its heritage significance.

A recent West Moorabool Heritage study identified that this open drain had no formal heritage significance. Given the strong views on retaining the bluestone pitchers, it's recommended that they be re-used as part of the high amenity precincts as identified through the design process.

The existing open drain provides significant challenges in the event it was retained in its current form. In order to provide continuity along the street and accommodate new footpaths and street trees in this location, the proposal to remove the drain and construct underground drainage in this location will reduce maintenance into the future. Large portions of the drain will likely be removed when the adjacent land is developed and crossover constructed.

Open Swale Drain (North side)

The existing swale drain on the north side of Main Street from the Gordon General Store to the Gordon Public Hall will be maintained in its current form with only minor reinstatement works.

Bus Stop Locations.

Council officers will work with Public Transport Victoria, V-Line and local bus companies to review the current bus stop locations, with the view to consolidate and ensure they are strategically placed to best service the community.

Further to the adoption of the above recommendations, it is proposed that the Council approve proceeding to detailed design. Key construction projects will be derived from the detailed design work which will be put forward for consideration in the future Capital Improvement Programs.

Policy Implications

The Council Plan 2017 – 2021 provides as follows:

Strategic Objective 1:	Providing Good Governance and Leadership
Context 1A:	Our Assets and Infrastructure
Action 5:	Deliver Annual Capital Improvement Programs

The proposal is consistent with the Council Plan 2017 – 2021.

Financial Implications

Council has included in the 2017/18 Capital Improvement Program an allocation of \$50,000 for the engineering and landscaping design works for Main Street, Gordon between Old Western Hwy and Stanley Street.

Following completion of the design works funded in 2017/18, construction of these works will be referred to the Long Term Capital Improvement Program for consideration in future budgets or through grant opportunities.

Risk & Occupational Health & Safety Issues

Risk Identifier	Detail of Risk	Risk Rating	Control/s
Community need and reputation	Exposes Council to a number of risks if items within the Concept Plan are not implemented	Medium	Future planning for recommendations identified in context of other capital priorities
Financial	Ability to fund items within the Concept Plan	High	Pursue external funding options

Communications and Consultation Strategy

The following community engagement activities have been undertaken, in accordance with the Council's Community Engagement Policy and Framework.

Concept Plan Development

Level of Engagement	Stakeholder	Activities	Location	Date	Outcome
Consult	Community	Open house session with feedback requested through questionnaire Draft Concept Plan was displayed for comment	Gordon Public Hall	21 Nov 2017 23 Nov 2017	Feedback including concerns raised were reflected in this Council Report

Consult	Community	Draft Concept Plan and questionnaire advertised for comment	Council website	24 Nov 2017 to 08 Dec 2017	Feedback considered and reflected this Council Report
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Victorian Charter of Human Rights and Responsibilities Act 2006

In developing this report to Council, the officer considered whether the subject matter raised any human rights issues. In particular, whether the scope of any human right established by the Victorian Charter of Human Rights and Responsibilities is in any way limited, restricted or interfered with by the recommendations contained in the report. It is considered that the subject matter does not raise any human rights issues.

Officer's Declaration of Conflict of Interests

Under section 80C of the Local Government Act 1989 (as amended), officers providing advice to Council must disclose any interests, including the type of interest.

General Manager – Phil Jeffrey

In providing this advice to Council as the General Manager, I have no interests to disclose in this report.

Author – Sam Romaszko

In providing this advice to Council as the Author, I have no interests to disclose in this report.

Conclusion

The 2017/18 Capital Improvement Program includes design improvement works for Main Street, Gordon between Old Western Hwy and Stanley Street.

Conceptual layout plans were prepared for consideration by the community at consultation sessions held in Gordon and also through Council's online forums.

It is recommended that Council endorse the concept plan as presented at the community consultation session, with recommendations that have been collated with consideration to community feedback, with the view to proceed to detailed design.

Recommendation:

That Council:

- 1. Adopts the concept plans for Main Street, Gordon as attached inclusive of the following amendments;**
 - a. The intersection of Main Street and Old Western Highway to be designed as a roundabout.**

- b. **A 1.5m sealed pedestrian footpath on the south side of Main Street, from Old Western Highway to Stanley Street.**
 - c. **Investigate footpath connectivity along Main Street from Gordon Recreation Reserve through to St. Michaels Catholic Primary School.**
 - d. **The intersection of Russell Street and Main Street to be generally designed in accordance with the alternate design arrangement shown on the concept plan.**
 - e. **The street tree layout nominated shall be generally in accordance with the concept plan.**
 - f. **The bluestone pitchers table drain to be removed and utilised within the high amenity areas of the design.**
 - g. **The swale drain on the north side of Main Street from the Gordon General Store to the Gordon Public Hall will be maintained in its current format with minor reinstatement works to improve functionality.**
 - h. **Consolidation of bus stops, following consultation with Public Transport Victoria, V-Line and local bus companies.**
2. **Authorises officers to proceed to detailed design generally in accordance with the plan with the recommendations listed above.**
 3. **Requests officers to provide advice regarding the final outcome to all people that made submissions.**

Resolution:

Crs. Toohey/Sullivan

That Council:

1. ***Adopts the concept plans for Main Street, Gordon as attached inclusive of the following amendments;***
 - a. ***The intersection of Main Street and Old Western Highway to be designed as a roundabout.***
 - b. ***A 1.5m sealed pedestrian footpath on the south side of Main Street, from Old Western Highway to Stanley Street.***
 - c. ***Investigate footpath connectivity along Main Street from Gordon Recreation Reserve through to St. Patricks Catholic Primary School.***

- d. ***The intersection of Russell Street and Main Street to be generally designed in accordance with the alternate design arrangement shown on the concept plan.***
 - e. ***The street tree layout nominated shall be generally in accordance with the concept plan.***
 - f. ***The bluestone pitchers table drain to be removed and utilised within the high amenity areas of the design.***
 - g. ***The swale drain on the north side of Main Street from the Gordon General Store to the Gordon Public Hall will be maintained in its current format with minor reinstatement works to improve functionality.***
 - h. ***Consolidation of bus stops, following consultation with Public Transport Victoria, V-Line and local bus companies.***
2. ***Authorises officers to proceed to detailed design generally in accordance with the plan with the recommendations listed above.***
 3. ***Requests officers to provide advice regarding the final outcome to all people that made submissions.***

CARRIED.

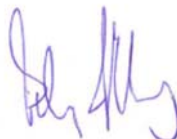
Report Authorisation

Authorised by:

Name: Phil Jeffrey

Title: General Manager Infrastructure

Date: Wednesday, 13 December 2017



8.4 Consideration of a Rate Cap Variation for 2018/19

Introduction

Author: Steve Ivelja
General Manager: Phil Jeffrey

The purpose of this report is to recommend that Council authorise the CEO to write to the ESC to indicate Council's intent to apply for a Rate Cap Variation. This step does not compel the Council to lodge a formal application but gives it the flexibility to consider a rate cap variation as an option as it progresses into the 2018/19 annual budget and planning cycle.

Background

In the 2016/17 financial year, Moorabool Shire Council applied to the Essential Services Commission (the ESC) for a rate cap variation. Moorabool Shire was one of 9 Victorian Councils (out of 78) that applied to the ESC. Of the 9 Councils that applied, 6 Councils were successful in receiving either a full or a partial rate cap exemption.

Importantly, Moorabool Shire was one of only 2 Councils that received 'unqualified' support from the ESC to increase rates above the established Ministers Rate Cap of 2.5%. Importantly, the ESC noted the integrity of Moorabool Shire's application and supporting data and systems which underpinned it.

To support the rate cap application, Moorabool Shire undertook extensive consultation with the community. The options prepared were:

- Option A – What Council could deliver under the Minister's Rate Cap of 2.5% in Year 1.
- Option B – What Council could deliver if it had a rate increase of 4.15% for 2016/17 (inclusive of a 1.65% rate cap variation) in addition to a likely rate increase of 4.15% for a further 3 years.
- Option C – What Council could deliver if it had a rate increase of 3.50% for 2016/17 (inclusive of a 1.00% rate cap variation) in addition to a likely rate increase of 3.50% for a further 3 years. This option is also based on other fees and charges increasing under a "user-pays" model to be cost reflective including indirect costs.

Options B and C were based on four years of rate cap variations. However, due to the "Fair Go Rates" legislation being in the first year of its operation, Council was only allowed to apply for a one year variation. For 2017/18, the new Council elected not to apply for a further 3 years of rate cap variations.

In recognition of the significant operational, infrastructure and transformational challenges that Moorabool Shire will increasingly face in the medium to long term, it is recommended that Council authorise the CEO to write to the ESC to indicate Council's intent to apply for a Rate Cap Variation. This does not compel the Council into a specific course of action but enables Council to assess its full range of options are part of the 2018/19 budgeting and planning cycle.

Current Strategic Financial Plan

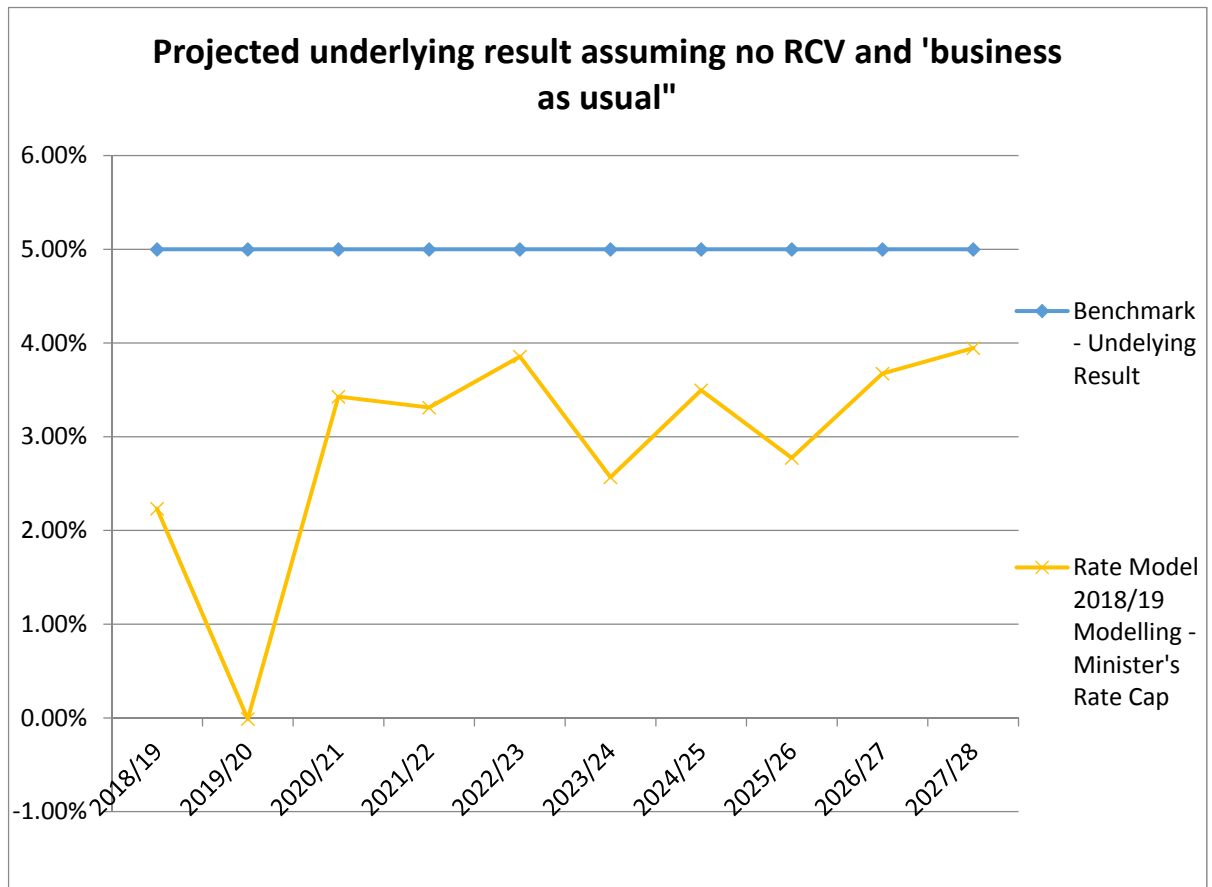
The below table provides a high-level snapshot of Council's current 10 year financial plan assuming rate increases in-line with the Minister's cap at a rate of around 2.25%-2.5% per annum.

Table 1.1 High level summary of current Strategic Financial Plan

	Minister's Rate Cap
10 Year Projected Rate & Charges Revenue	\$408.1M
Council's Financial Stability	Gradual improvement with a 3.9% underlying surplus predicted by 2027/28 – however this is still short of the internal target of 5%
Debt and loan borrowing capacity	Will remain high in the short to medium term. Very limited scope to expand the current borrowing program
Services	Very limited scope to increase service levels/accommodate growth.
Capital Program	
Major Projects	\$27.8M over 10 years
New & Upgrade Projects	\$4M over 10 years
Asset Renewal Program	\$127.3M over 10 years

Over recent years, Moorabool Shire has improved its overall financial health and stability. For the 2018/19 year this is forecast to improve yet again. A combination of previously unbudgeted income from windfarms and stringent cost controls has further strengthened an improving financial position.

One of the key measures of a Council's financial health is its capacity to generate an improvement in its underlying surplus. Table 1.2 shows the projected movement in council underlying surplus for the next 10 years based on Council's current and projected performance in its strategic financial plan (and assuming Council does not apply for a rate cap variation),

Table 1.2 Projected underlying result assuming no rate cap variation

On face value, the overall trend may indicate a reduced need for rate cap variations due to Councils improving financial position.

Most importantly however, if Council elects to not apply for a rate cap variation, its continued financial strength is primarily underpinned by a "business as usual" approach. As shown in Table 1.1 above, the current strategic financial plan allows very limited scope to increase or expand service levels or infrastructure investment beyond what is currently included within the plan without having a negative impact on Council financial stability.

As a result, due consideration should be given to the significant operational, infrastructure and transformational challenges that Moorabool Shire will increasingly face if it elects to stay with the Ministers rate cap.

If it so chooses, Council still may elect to apply for a rate cap variation for one or a combination of the following reasons;

- To increase investment in service provision.
- To increase investment in Asset Renewal
- To increase investment in New and Upgrade or Major Projects
- To increase investment in Major Projects

Service Provision

Results of the 2017 State-wide Local Government Community Satisfaction Survey indicate that Council is not meeting the needs and expectations of the Community. Moorabool Shire Council received an overall performance index score of 54 which is significantly lower (at the 95% confidence interval) than the average rating for councils State-wide, but is in line with the average for councils in Large Rural areas (index scores of 59 and 54 respectively). This was consistent with the result achieved by Council in 2016, defying the downward trend in overall performance seen from 2015 to 2016, and is a positive step towards moving closer to the high seen in 2013 (index score of 58).

The Top three areas for improvement identified by the survey were: Local Street & Footpaths, Recreational Facilities and Elderly Support Services

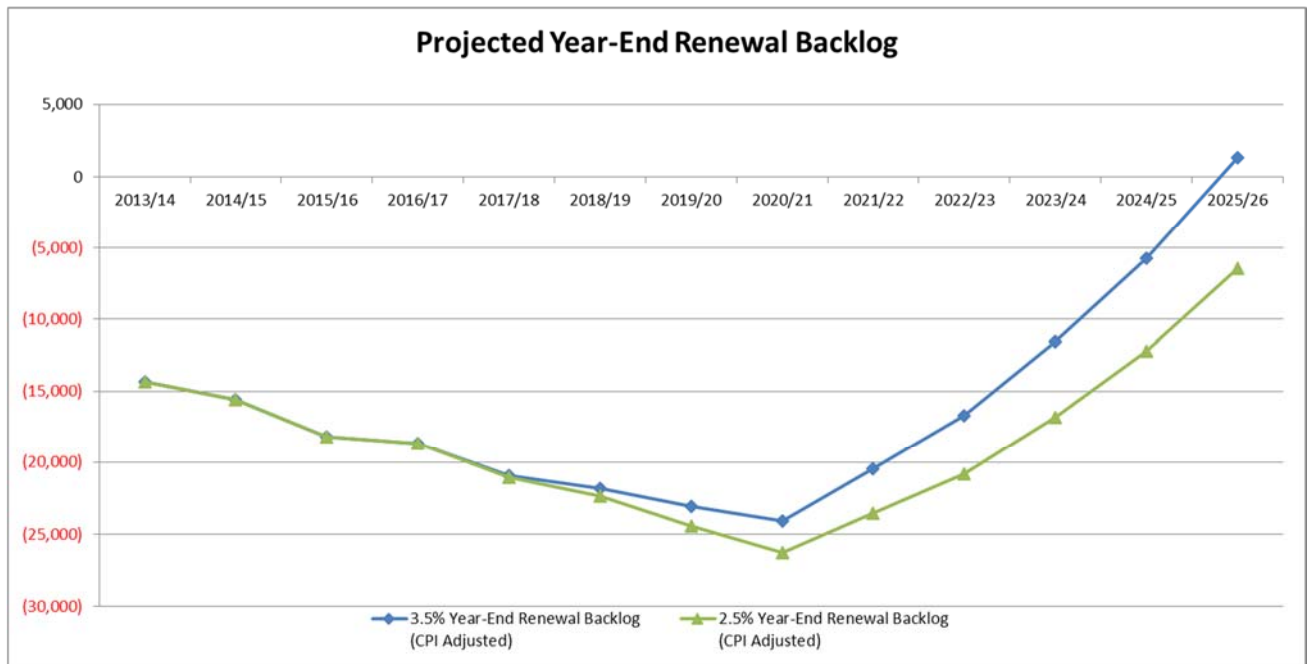
As the current SFP assumes only a continuation of current services, Council might consider a rate cap variation to provide scope to increase its investment in services and critical infrastructure to address the ongoing concerns as highlighted by the survey. More so, with expected growth in the Shire, a continuation of Business as Usual activities may lead to a worsening of Community Satisfaction.

Additional Investment Asset Renewal

The 2017 Community Satisfaction Survey indicated that Local Streets and Footpaths was Council's top area for improvement. Further, Moorabool's most recent Asset Management Plans and current modelling indicate that Council has a backlog of assets which are overdue for renewal.

Modelling for the 2016/17 Rate Cap demonstrated that the increased funding for Asset Renewal required to remedy Council's Asset Backlog issues; could only be afforded if Council had 4 years of rate cap variations at 1% above the cap.

The below graph highlights the impact that the 4 years of 1% rate cap variation will have on the Asset backlog. This graph was previously reviewed by the ESC in approving our rate cap variation for 2016/17.



In summary, the above graph demonstrates that under the Ministers rate cap, current data suggests Council will not address the asset renewal backlog in any meaningful way. Under a 3.5% rate increase (inclusive of a 1% rate cap variation), Council will eliminate the asset backlog in 2025/26.

It is important to note that Council is currently updating the Asset Management plan for the Transport Asset category. This will culminate in a revised Asset Management Plan in the current financial year. At this stage it is anticipated that Council will have a greater understanding of the results in January 2017.

The outcome of the revised Asset Management plan is underpinned by comprehensive condition audits and will reflect the continued maturity in Councils Asset Management systems. The updated plan will inform the extent of the current renewal backlog and future renewal demand which will feed directly into Councils Strategic Financial Plan.

The end result could indicate an improvement or decline in the overall health of Moorabool Assets. For this reason, it may be prudent for Council to leave its rate cap options open.

Additional investment in New & Upgrade projects

New & upgrade funding is used to deliver projects that go above and beyond the repair or restoration of assets to their original capability. Council has a well-established New & Upgrade program that is derived from a number of sources. In deriving this program, Officers review all known strategic documentation including Master Plans, Strategic Studies, Audits/Legislation, Council Officer Recommendations, Councillor Requests, Customer/Community Requests and Community Consultation and have developed a comprehensive project list.

For 2016/17, Council successfully argued that it needed to expand the New & Upgrade program. Under a 4 year rate cap exemption, the New & Upgrade Program would increase from \$4.0M to \$8.0M over 10 years or \$400k per annum.

It is currently noted that there is in excess of \$40M of projects on the New & Upgrade project list. It is a program which in large part reflects the growth and diversity in the Shire and in turn the challenges of managing community expectations in a resource constrained environment.

A further rate cap variation provides scope for Council to increase its investment in the new and upgrade program to meet community needs and expectations.

Additional investment in Major projects

The Current SFP provides for the following Major Projects over the next 10 years.

Major Projects	Current SFP - No Variations	Timing
Property and Rating system	\$ 1,500	2019/20 to 2020/21
New Indoor Sports Facilities for Shire	\$ 7,500	2019/20 to 2021/22 and 2024/25 to 2025/26
Small Towns Sewerage funding options	\$ 1,000	2023/24 to 2024/25
Bacchus Marsh Racecourse Recreation Reserve Upgrade	\$ 8,400	2018/19 to 2022/23
Ballan Depot	\$ 3,500	2018/19 to 2019/20
Parwan Employment Precinct	\$ 1,000	2019/20 to 2020/21
West Maddingley Family Services Hub	\$ 4,900	2020/21 to 2022/23
	\$ 27,800	

To bring forward or increase the scope of these projects, or to accommodate new projects Council may elect to apply for a rate cap variation.

2018/19 Rate Cap Proposal

Officers have modelled the impact of a 3.5% rate increase for the next three years. The below table provides a high-level snapshot of Council's current 10 year financial plan assuming rate increases in-line with the Minister's cap compared to outcomes under a 3.5% increase for three years.

	Minister's Rate Cap	3.5% for three Years
10 Year Projected Rate & Charges Revenue	\$408.1M	\$418.6M
Council's Financial Stability	Gradual improvement with a 3.9% underlying surplus predicted by 2027/28 – however this is still short of the internal target of 5%	Gradual improvement with a 4.9% underlying surplus predicted by 2027/28 which is in line with the internal target of 5%
Debt and loan borrowing capacity	Will remain high in the short to medium term. Very limited scope to expand the current borrowing program	Will remain high in the short to medium term. Allows reasonable scope to expand the current borrowing program whilst remaining financially viable
Services	No scope to increase service levels/accommodate growth.	Scope to increase service levels/accommodate growth.
Capital Program		
Major Projects	\$27.8M over 10 years	\$30.8M over 10 years
New & Upgrade Projects	\$4M over 10 years	\$11M over 10 years
Asset Renewal Program	\$127.3M over 10 years	\$132.3M over 10 years
Total increase in Capital program	\$0M	\$15.0M

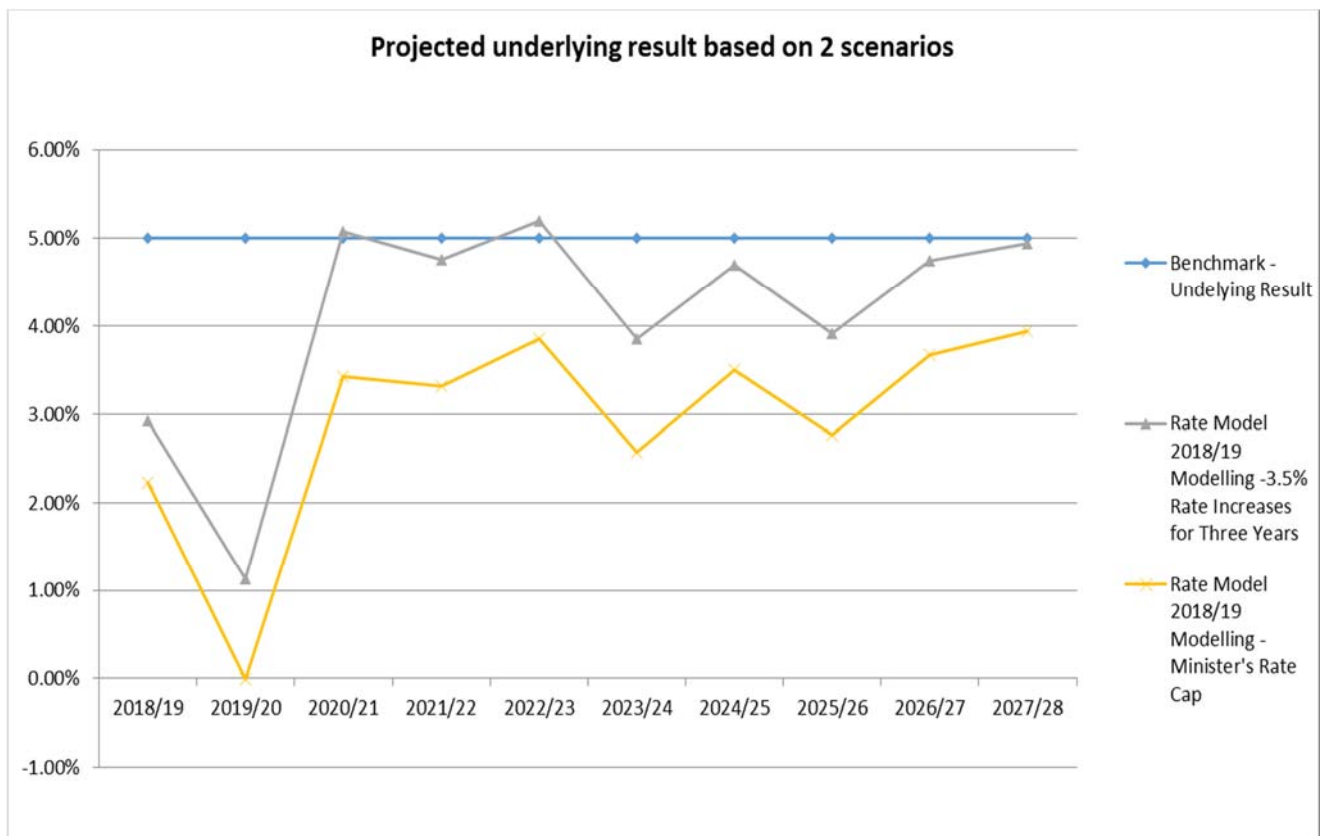
As per the above, with rate increases of 3.5% for the next three years Council will generate an additional 10.5M in Rates over the next ten years. The above table demonstrates that in the event that Council did elect to apply for a rate cap variation, the overall increase in funds for the capital program would be potentially in the order of \$15.0M. The additional capital program would be funded by a combination of rates and additional loan borrowings. Importantly, the additional revenue provided by a rate cap variation allows council to expand its debt and loan borrowing capacity without harming its financial stability.

The table above provides an illustrative example of how Council could potentially allocate the additional proceeds from a rate cap variation across the Capital program. In this example, it could allocate an additional \$3.0M to Major projects, and additional \$7.0M to the New & Upgrade program and a further \$5.0M to the Asset renewal program.

Whilst the allocation of the additional funding to a degree would be subject to the current assessment of the Asset renewal backlog and the projected future asset renewal demand, there would likely be a greater level of decision making flexibility in the allocation of funding for Capital Works if the Council decided to apply for a rate cap variation.

Ultimately, Council can choose to allocate any additional revenue in the manner it feels will deliver the best community outcomes.

The following graph illustrates Council’s projected underlying results under the “no rate cap” option and the “3.5% rate cap option”



As shown in the table above, if council chooses to apply for a rate cap variation of 3.5% for a further 3 year period, it has the opportunity to significantly increase its investment in the Capital program whilst improving its overall financial health and stability. If it chooses to not apply for a rate cap variation, it will struggle to generate surpluses above the industry benchmark for sustainability of 5.0%. It will also be restricted in its capacity to expand capital investment and service provision.

What will this mean to the “average” ratepayer?

The below table demonstrates the impact of rate increase at the ministers cap versus a 3.5% increase on the average residential rate per residential property assessment.

	2016/17	2017/18	2018/19	2019/20	2020/21
Rate Cap		2.00%	2.25%	2.50%	2.50%
Moorabool Potential Rate Cap Variation		2.00%	3.50%	3.50%	3.50%
Moorabool Shire - With Rate Cap	\$1,513	\$1,543	\$1,578	\$1,617	\$1,658
Moorabool Shire - With Increase Above the Rate Cap	\$1,513	\$1,543	\$1,597	\$1,653	\$1,711
Similar to Moorabool Shire Council Average	\$1,640	\$1,672	\$1,710	\$1,753	\$1,797
All Council Average	\$1,572	\$1,603	\$1,639	\$1,680	\$1,722

As per the table above, even with rate increases of 3.5% for the next 3 years Moorabool's average residential rate per residential property assessment are anticipated to be below both the State average rates and the average rates for large rural shires.

Overall the difference between a 2.25% and 3.5% rate increase in year 2018/19 for the average resident will be \$19 per year or \$0.36 per week.

Community Engagement

If Council elects to apply for a Rate Cap Variation, depending on the level of consistency between with the 2016/17 rate cap application the 2018/19 application, additional community consultation may not be required. If Council elects to apply for a rate cap variation, a detailed Community Engagement plan will be provided to Council and will be based on discussion with the ESC.

Proposal

That Council authorise the CEO to write to the ESC to indicate Council's intent to apply for a Rate Cap Variation.

Policy Implications

The 2017 - 2021 Council Plan provides as follows:

Strategic Objective 1: Providing Good Governance and Leadership

Context 1C: Our Business and Systems

Action 4: Financial Sustainability

The proposal is consistent with the 2017-2021 Council Plan.

Financial Implications

Depending on whether Council elects to apply for a rate cap variation for the 2018/19 year and beyond, there will a significant disparity in the level of funds it will have at its disposal to invest for the benefit of the community. If Council elects to apply for a 3.5% increase for the next 3 years, will result in an additional \$15.0M in funds for the capital program. The rate cap variation will also facilitate an improvement in Councils financial sustainability. This will allow it to better meet the challenges of service provision and future population growth and the transformation challenges Moorabool Shire will see over the next medium to long term.

Risk & Occupational Health & Safety Issues

Based on Council rates being capped at 2.25% in 2018/19 (subject to confirmation) and projected CPI for future years, Council will likely experience some form of financial distress in the medium to long term. If a rate cap variation is not approved, Council will need to re-assess its options following community engagement in achieving a balanced budget in to the future.

Risk Identifier	Detail of Risk	Risk Rating	Control/s
Financial – Rates Capped at CPI.	Increase risk of Council experiencing some form of financial distress in the medium to long term.	High	Seek a rate cap variation. Cost control. Service reviews. Fees & Charges increases. Shared services. Planning tools.

Communications and Consultation Strategy

It is proposed that the community engagement requirements be discussed with the ESC once Council determine how additional funding received through a rate cap variation is to be allocated in the 10 year plan. If the allocation is substantially the same as the 2016/17 Rate Cap Application, no additional community consultation is anticipated to be required.

Victorian Charter of Human Rights and Responsibilities Act 2006

In developing this report to Council, the officer considered whether the subject matter raised any human rights issues. In particular, whether the scope of any human right established by the Victorian Charter of Human Rights and Responsibilities is in any way limited, restricted or interfered with by the recommendations contained in the report. It is considered that the subject matter does not raise any human rights issues.

Officer's Declaration of Conflict of Interests

Under section 80C of the Local Government Act 1989 (as amended), officers providing advice to Council must disclose any interests, including the type of interest.

General Manager – Phil Jeffrey

In providing this advice to Council as the General Manager, I have no interests to disclose in this report.

Author – Steve Ivelja

In providing this advice to Council as the Author, I have no interests to disclose in this report.

Conclusion

Council currently awaits the ministerial announcement of the rate cap for 2018/19. It is currently anticipated that the rate cap will be set at about 2.25%.

Working within the confines of the cap will present ongoing challenges for the way Council continues its business of delivering high quality services to its residents.

In light of the service provision and Infrastructure challenges Moorabool Shire faces, it is considered prudent for the Council to leave its options regarding a further rate increase open by notifying the ESC of its intention to apply for a rate cap variation.

Council may elect to apply for a rate cap variation for one or a combination of the following reasons;

- To increase investment in service provision.
- To increase investment in Asset Renewal
- To increase investment in New and Upgrade or Major Projects
- To increase investment in Major Projects

Officers will return with a specific proposal on rate cap options at a future meeting of Council.

Recommendation:

That Council authorise the CEO to advise the ESC that Moorabool Shire Council intends to apply for a rate cap variation for the 2018/19 financial year.

Resolution:

Crs. Bingham/Dudzik

That Council does not apply for a rate cap variation for the 2018/19 financial year.

CARRIED.

Councillor Bingham called for a Division.

Councillors voting for the resolution:

Cr. Bingham, Cr. Keogh, Cr. Dudzik, Cr. Tatchell

Councillors voting against the resolution:

Cr. Sullivan, Cr. Toohey

The resolution was determined to be CARRIED.

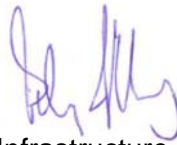
Report Authorisation

Authorised by:

Name: Phil Jeffrey

Title: General Manager Infrastructure

Date: Wednesday, 13 December 2017



8.5 Bacchus Marsh Aerodrome Future Management Arrangements

This report has been withdrawn from the Agenda. It will be presented to a future meeting of the Council.

Cr. Keogh left the meeting at 6.24pm.

9. FURTHER BUSINESS AS ADMITTED BY UNANIMOUS RESOLUTION OF COUNCIL

Nil.

ADJOURNMENT OF MEETING – 6.26PM

Crs. Bingham/Dudzik

That the meeting now stand adjourned for a period of 5 minutes.

CARRIED.

RESUMPTION OF MEETING – 6.36PM

Crs. Toohey/Dudzik

That the meeting now be resumed.

CARRIED.

10. CLOSED SESSION OF THE MEETING TO THE PUBLIC**10.1 Confidential Report**

Resolution:

Crs. Toohey/Dudzik

That pursuant to the provisions of the Local Government Act 1989, the meeting now be closed to members of the public to enable the meeting to discuss matters, which the Council may, pursuant to the provisions of Section 89(2) of the Local Government Act 1989 (the Act) resolve to be considered in Closed Session, being a matter contemplated by Section 89(2) of the Act, as follows:

- (a) personnel matters;***
- (b) the personal hardship of any resident or ratepayer;***
- (c) industrial matters;***
- (d) contractual matters;***
- (e) proposed developments;***
- (f) legal advice;***
- (g) matters affecting the security of Council property;***
- (h) any other matter which the Council or special committee considers would prejudice the Council or any person;***
- (i) a resolution to close the meeting to members of the public***

being the contract for the Ballan Streetscape Upgrade.

CARRIED.

11. MEETING CLOSURE

The meeting closed at 7.03 pm.

Confirmed.....Mayor.