



Date: Tuesday, 23 April 2024
Time: 3.00pm
Location: Loddon Shire Council Chambers, Wedderburn

MINUTES

Council Meeting

**MINUTES OF LODDON SHIRE COUNCIL
COUNCIL MEETING
HELD AT THE LODDON SHIRE COUNCIL CHAMBERS, WEDDERBURN
ON TUESDAY, 23 APRIL 2024 AT 3.00PM**

PRESENT: Cr Gavan Holt (Mayor), Cr Dan Straub, Cr Neil Beattie, Cr Linda Jungwirth and Cr Wendy Murphy

IN ATTENDANCE: Lincoln Fitzgerald (Chief Executive Officer), Brett Flavell (Acting Director Community Wellbeing), Steven Phillips (Director Operations), Michelle Stedman (Director Corporate) and Lisa Clue (Manager Governance)

1 OPENING AFFIRMATION

The Mayor read the Opening Affirmation.

2 ACKNOWLEDGEMENT OF COUNTRY

The Chief Executive Officer read the Acknowledgement of Country.

3 APOLOGIES

Wendy Gladman, Director Community Wellbeing

4 DECLARATIONS OF CONFLICT OF INTEREST

Nil

5 PREVIOUS MINUTES**5.1 CONFIRMATION OF MINUTES****File Number:** FOL/19/45615**Author:** Lisa Clue, Manager Governance**Authoriser:** Lincoln Fitzgerald, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION**

That Council confirm the Minutes of the following meetings as previously circulated to Councillors:

1. Council Briefing of 26 March 2024
2. Council Meeting of 26 March 2024
3. Council Forum of 9 April 2024.

REPORT

This report seeks Council confirmation of Minutes from the March 2024 Council Briefing and Council Meeting, and the April 2024 Council Forum as previously circulated to Councillors.

RESOLUTION 2024/51**Moved:** Cr Dan Straub**Seconded:** Cr Wendy Murphy

That Council confirm the Minutes of the following meetings as previously circulated to Councillors:

1. Council Briefing of 26 March 2024
2. Council Meeting of 26 March 2024
3. Council Forum of 9 April 2024.

CARRIED

6 COUNCIL AUSPICED MEETINGS

6.1 RECORD OF COUNCIL AUSPICED MEETINGS

File Number: 02/01/001

Author: Lisa Clue, Manager Governance

Authoriser: Lincoln Fitzgerald, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That Council confirm records of the following as detailed within this report:

1. Council Briefing 26 March 2024
2. Council Forum 9 April 2024.

Rule 35 of Council's Governance Rules requires a record of meetings conducted under the auspices of Council to be presented to the next available scheduled Council meeting for confirmation that must include:

- a) a record of which Councillors and officers attended the meeting;
- b) a summary of the matters considered in the meeting; and
- c) a record of any conflicts of interest disclosed by Councillors and officers and any Councillors or officers that left the meeting whilst a matter that their conflict of interest related to was being discussed.

Section 3 of the Governance Rules defines meetings conducted under the auspices of Council to mean a meeting of the kind described in section 131(1) of the Local Government Act 2020 and includes a meeting which:

- a) is schedule or planned for the purpose of discussing the business of Council or briefing Councillors;
- b) is attended by a majority of Councillors;
- c) is attended by at least one member of Council staff; and
- d) is not a Council meeting or delegated committee meeting.

This report seeks confirmation of the following Council auspiced meetings as detailed within this report:

1. Council Briefing 26 March 2024
2. Council Forum 9 April 2024.

Meeting details	Briefing
Date	26 March 2024
Councillor Attendees	Cr Holt (Mayor) Cr Beattie Cr Jungwirth Cr Murphy Cr Straub
Staff/ Stakeholder representatives	1. Lincoln Fitzgerald, Chief Executive Officer 2. Wendy Gladman, Director Community Wellbeing 3. Steven Phillips, Director Operations 4. Michelle Stedman, Director Corporate 5. Lisa Clue, Governance Manager
Item(s) discussed.	1. Review of Council Meeting Agenda 2. Draft Small Towns Strategy 3. General Business <ul style="list-style-type: none"> • Boort Park Community Asset Committee • Funding for flood damaged road repairs • Forum and Council meeting reports • Economic Development Essentials for Elected Members • Telstra 4G Infrastructure
Conflict of Interest Disclosures – Councillor/ officer making disclosure	Nil
Councillor/officer left room	n/a

Meeting details	Forum
Date	9 April 2024
Councillor Attendees	Cr Holt (Mayor) Cr Beattie Cr Jungwirth Cr Murphy Cr Straub
Staff/ Stakeholder representatives	6. Lincoln Fitzgerald, Chief Executive Officer 7. Brett Flavell, Acting Director Community Wellbeing 8. Steven Phillips, Director Operations 9. Michelle Stedman, Director Corporate 10. Lisa Clue, Manager Governance Deanne Caserta, Manager Financial Services – Item 1 below
Item(s) discussed.	1. Draft Annual Budget 2024/25 2. Instrument of Delegation – Council to CEO 3. Library Services Review 4. First Right of Refusal – 2 St Arnaud Road, Wedderburn 5. Introduction of the Establishing Formal Positions of Council Policy v1 6. 2-6 Kerr Street – Intention to Sell – Objections Received 7. 12-14 Allen Street, Korong Vale – Intention to Sell – Objections Received 8. General Business <ul style="list-style-type: none"> • Updates and discussion on projects, federal inquiries, upcoming reports to Council
Conflict of Interest Disclosures – Councillor/ officer making disclosure	Nil
Councillor/officer left room	n/a

RESOLUTION 2024/52

Moved: Cr Neil Beattie

Seconded: Cr Linda Jungwirth

That Council confirm records of the following as detailed within this report:

1. Council Briefing 26 March 2024
2. Council Forum 9 April 2024.

CARRIED

7 REVIEW OF ACTIONS**7.1 REVIEW OF ACTIONS****File Number: 02/01/002****Author: Lisa Clue, Manager Governance****Authoriser: Lincoln Fitzgerald, Chief Executive Officer****Attachments: 1. Resolutions acted upon since the March 2024 Council Meeting****RECOMMENDATION**

That Council receive and note resolutions acted upon since the March 2024 Council meeting as attached to this report.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

REPORT

A document containing the status of actions from March Council meeting resolutions is attached to this Agenda report.

There were no outstanding actions from Council meeting resolutions prior to March 2024.

All actions from March 2024 Council meeting resolutions have been completed.

RESOLUTION 2024/53**Moved: Cr Wendy Murphy****Seconded: Cr Dan Straub**

That Council receive and note resolutions acted upon since the March 2024 Council meeting as attached to this report.

CARRIED

8 MAYORAL REPORT**8.1 MAYORAL REPORT****File Number:** 02/01/001**Author:** Lisa Clue, Manager Governance**Authoriser:** Lincoln Fitzgerald, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION**

That Council receive and note the Mayoral Report.

REPORT

Mayor Holt presented a verbal report at the meeting.

Council activities	
Date	Activity
30/03/2024	Wedderburn Lawn Bowls Club -100 th Anniversary
01/04/2024	Rheola Charity Carnival
08/04/2024	Economic Development Strategy Advisory Group Meeting - Inglewood
09/04/2024	April Council Forum - Wedderburn
17/04/2024	Donaldson Park Project Steering Committee Meeting – Wedderburn
21/04/2024	Pyramid Hill Historical Society - Guest

RESOLUTION 2024/54

Moved: Cr Linda Jungwirth

Seconded: Cr Dan Straub

That Council receive and note the Mayoral Report.

CARRIED

9 COUNCILLORS' REPORT**9.1 COUNCILLORS' REPORTS****File Number:** 02/01/001**Author:** Lisa Clue, Manager Governance**Authoriser:** Lincoln Fitzgerald, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION**

That Council receive and note the Councillors' reports.

REPORT

Each Councillor presented a verbal report at the meeting.

Cr Jungwirth

Central Victorian Greenhouse Alliance	
North Central Goldfields Regional Library:	
03/04/2024	Board Meeting (online)
05/04/2024	Transition Forum - Bendigo
Other Council activities	
Date	Activity
26/03/2024	March Council Briefing and Council Meeting - Wedderburn
29/03/2024	Good Friday Appeal
01/04/2024	Rheola Charity Carnival
09/04/2024	April Council Forum - Wedderburn
13/04/2024	Eddington Miniature Trains - visit
14/04/2024	Eddington Miniature Trains – Cliff Kirby Memorial Gathering

Cr Straub

North Central Local Learning and Employment Network	
16/04/2024 – Chaired Board Meeting	
Other Council activities	
Date	Activity
09/04/2024	April Council Forum - Wedderburn
From 10/04/2024	Duck Hunting – various locations within the Loddon Shire
17/04/2024	Pyramid Hill Progress Association Meeting
18/04/2024	Legislative Council (Victorian Parliament Upper House) Regional Sitting Day - Echuca
	Meeting with Director Operations, CMA and Dingee/Tandara community members regarding flood issues
22/04/2024	Meeting with CMA and local irrigators regarding Draft Rural Drainage Report findings and recommendations – Pyramid Hill

Cr Beattie

Council activities	
Date	Activity
Easter	Boort Tennis and Bowls Tournaments
09/04/2024	April Council Forum - Wedderburn
10/04/2024	Duck Opening
12/04/2024	Charlton Debutante Ball
23/04/2024	April Council Briefing and Council Meeting

Cr Murphy

Healthy Minds Network	
18/04/2024 – Chaired meeting (online)	
Section 65 Community Asset Committees:	
22/04/2024 - Inglewood Community Sports Centre – Masterplan update with Solucio	
Other Council activities	
Date	Activity
28/03/2024	Inglewood Development and Tourism Committee meeting
01/04/2024	Rheola Charity Carnival
05/04/2024	Goldfields Library Corporation structural transition session (online)
09/04/2024	April Council Forum – Wedderburn
23/04/2024	Councillor only session, April Council Briefing and Council Meeting – Wedderburn

RESOLUTION 2024/55

Moved: Cr Neil Beattie

Seconded: Cr Dan Straub

That Council receive and note the Councillors' reports.

CARRIED

10 DECISION REPORTS**RESOLUTION 2024/56**

Moved: Cr Linda Jungwirth
Seconded: Cr Wendy Murphy

That the Order of Business be altered to include late item C606 – Tarnagulla Footpath Renewal Project following Agenda item 107.

CARRIED

10.1 2-6 KERR STREET, WEDDERBURN - INTENTION TO SELL

File Number: FOL/19/431742

Author: Lincoln Fitzgerald, Chief Executive Officer

Authoriser: Lincoln Fitzgerald, Chief Executive Officer

Attachments: 1. **Valuation report, 2-6 Kerr Street, Wedderburn - Confidential**

This attachment is designated as confidential in accordance with Section 3(1)(a) and (g(ii)) of the *Local Government Act 2020*. It contains Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released; AND private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

Pursuant to section 66(5)(b) of the Local Government Act 2020, if released the information to be received, discussed or considered in relation to this agenda item may prejudice the commercial position of Council. **(under separate cover)**

2. **Objection 1**

3. **Objection 2**

4. **Objection 3**

5. **Objection 4**

6. **Objection 5**

7. **Objection 6**

8. **Objection 7**

9. **Anglican Diocese of Bendigo letter re 2-6 Kerr St, 7 August 2018**

10. **Vegetation and flora assessment**

11. **Tree report**

RECOMMENDATION

That Council:

1. Acknowledge the community submissions received;
2. Remove the property at 2-6 Kerr Street, Wedderburn from the property disposal list;
3. Note that Council periodically reviews its entire property portfolio and this property will be considered again at the next review; and,
4. Write to the submitters advising them of Council's decision.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

At the Council meeting of 28 February 2017 Council resolved to sell the land at 2-6 Kerr Street, Wedderburn as it was considered to be surplus. At that time the proposed sale was publicly advertised in accordance with section 223 of the *Local Government Act 1989* with no objections received. While no objections were received, once it was placed for sale with an estate agent several residents expressed their concerns and the sale was placed on hold. Since placing this property on hold no further Council resolution has removed this land from sale. As such, it remains on the surplus property list for disposal.

Properties identified as being surplus to Council and community needs were discussed at the September 2023 Council Forum and the January 2024 Council Briefing, this property was included in those reports/discussions.

Councillors discussed the property at the April 2024 Council Forum. The objectors who requested to present their submissions were invited to present at the briefing session held prior to the Council meeting.

BACKGROUND

At the Council meeting of 23 January 2024 Council resolved to sell additional properties. As part of the land disposal process outlined in the Local Government Act 2020, these properties were advertised and submissions requested. Kerr Street was included as one of the properties proposed for sale. The adjacent properties to Kerr Street also received direct mail correspondence informing them of the intended sale and submission process.

ISSUES/DISCUSSION

The land at 2-6 Kerr Street, Wedderburn was donated to the Shire of Korong in 1973 seeking that it was used for community purposes. The title has no restriction. The property is zoned township and has a partial heritage overlay (HO241) relating to the adjacent church and is in a bushfire prone area.

It is usual practice for Councils to review their property stock and consider the need to purchase or dispose of properties to best serve the community. Consideration is given to if the land does not or will not support, facilitate or contribute to current or future service delivery outcomes as identified.

Identification of properties as surplus is based on the following:

- lack of any significant identifiable and demonstrable community need
- if the asset is surplus to the needs of Council
- have no strategic value to Council on a long term basis
- ongoing cost to maintain the asset or the service provided by the asset
- any cultural or historical significance of the asset
- site location only being suitable for consolidation of titles with a neighbouring property

On 2 July 2018 the Chief Executive Officer (CEO) of the time and other council staff met with some adjoining property owners along with Anglican Parish of Charlton and Anglican Diocese of Bendigo (Diocese) representatives. Future plans for the land were discussed with options including the donating the land back to the Diocese, continuing to sell or any need for community or strategic use of the land.

The Diocese chose to discuss the matter with their executive further and provided a response to Council on 7 August 2018, attached, with extract below:

The Diocesan Executive Committee met on 6 August 2018 and were of the view that the land should be retained by the Loddon Shire Council until the Council's "Settlement Strategy" and "Open Space Strategy" reviews are complete so that these parcels of land are included in the discussion with the community.

It is hoped through the Council's strategic review of its land and spaces, and with input from the Wedderburn community, a suitable purpose for the vacant land at Kerr Street can be identified.

Following the receipt of this letter, the CEO at the time responded to neighbouring objectors on 26 September 2018 stating:

In relation to the vacant land that was given to Council by the Anglican Church, Council will consider how this will be managed after consultation has been completed for its draft Settlement Strategy, which currently identifies this area as suitable for residential development.

We have also been in contact with the Anglican Diocese of Bendigo about the land, and its Committee is of the view that Council should retain the land until the strategy is completed so that the land is included in consultation with the community.

I do not intend to seek any further decision from Council on this matter until the strategic work has been completed.

Council's Settlement Strategy 2019-24 was adopted 25 February 2020 and no further resolution has been made regarding this specific site. The Settlement Strategy identifies the township of Wedderburn as having significant vacant land within the township for future residential infill and an adequate amount of public/open space land. The Settlement Strategy does not make any recommendation to change the use of this site. The current zoning is Township Zone'.

The Loddon Shire Activating Open Space Strategy as adopted in 2019 noted that the key attributes of an activated area of public open space are:

Access and connections:

- pedestrian-friendly and well-connected, permeable street design
- accessible using a range of transport options
- connected to nearby destinations, attractions and the wider area

Uses and Activities:

- convenient for both local daily living activities and larger organised events
- facilitates a range of activities
- used during different times of day and throughout the year

Comfort and Image:

- is attractive and appealing
- has a sense of character and history
- feels safe, clean and comfortable

Sociability:

- promotes co-operation and neighbourliness
- welcoming and non-exclusionary
- connects people with other people.

The property at 2-6 Kerr Street meets many of these key attributes but lacks others if it were to be used/classified as an activated open space.

Open space as listed in the Strategy for Wedderburn includes:

- Blue Mallee Trail
- Cooper Park
- Donaldson Park
- Soldiers Memorial Park
- Market Square
- Nardoo Linear Park
- Queen's Gully Trail
- Reservoir Track
- Skinners Flat
- Teds Garden
- Wedderburn Swimming Pool

The open space areas above are currently maintained by Council and Wedderburn volunteer committees.

There are also other non-council open spaces in the immediate vicinity including state parks and private open spaces further indicating that open space provision should not be the driving motivation for retaining this space.

Through the submission process community sentiment has been that they seek the land be retained by Council as open space for public access to enjoy the natural beauty of the land and retain the trees present on the property. These submissions appear to assume that vegetation would be removed as a result of sale. It should be noted that development of the land and native vegetation removal would be subject to a planning permit approval process.

COST/BENEFITS

Council is currently paying Fire Services Levy on the property, sale would be a benefit to Council in eliminating this ongoing cost.

Costs to date have included valuation, advertising, licenced real estate agent and legal fees in 2018 and advertising in 2024. Costs are expended from the Land and Buildings Reserve.

There is a general economic development benefit to Council in offering a property for sale.

RISK ANALYSIS

The sale of the property is pertaining to be a reputational risk from incorrect statements being shared by community members through social media and the local press.

The open space holds a risk of public liability.

CONSULTATION AND ENGAGEMENT

Following the January briefing properties were advertised for the intention to sell. As a long period had lapsed from the initial advertisement, this property was again publicly advertised for intent to sell as per the current community engagement steps in accordance with the *Local Government Act 2020*. Unlike in 2017 the neighbouring land holders for this particular property were notified of the intention.

During the intention to sell period a number of objections were received, as attached. The community have noted their belief in the importance and significance of the historical nature of the land holding, along with its nature base and habitat.

Division 5 of the Local Government Act 2020 outlines the role of every Councillor is:

...(1) ...(b) *to represent the interests of the municipal community in that decision making; ...*

...(2)...(a) *consider the diversity of interests and needs of the municipal community, ...*

While there is no strategic support for the retention of this property within the 2020 Settlement Strategy or the 2019 Activating Open Space Strategy, as part of Council's deliberations councillors may note the large number of submissions and engagement by local residents.

No written submissions were received supporting Council's proposed sale of this property.

RESOLUTION 2024/57

Moved: Cr Dan Straub

Seconded: Cr Wendy Murphy

That Council:

1. Acknowledge the community submissions received;
2. Remove the property at 2-6 Kerr Street, Wedderburn from the property disposal list;
3. Note that Council periodically reviews its entire property portfolio and this property will be considered again at the next review; and,
4. Write to the submitters advising them of Council's decision.

CARRIED

10.2 12-14 ALLEN STREET, KORONG VALE - INTENTION TO SELL**File Number:** FOL/19/144306**Author:** Lincoln Fitzgerald, Chief Executive Officer**Authoriser:** Lincoln Fitzgerald, Chief Executive Officer

- Attachments:**
1. **Objection 1, 12-14 Allen Street**
 2. **Objection 2, 12-14 Allen Street**
 3. **Korong Vale and District Community Citizens Centre management agreement of hand over to Loddon Shire Council**
 4. **Valuation report - 12-14 Allen Street Korong Vale - Confidential**

This attachment is designated as confidential in accordance with Section 3(1)(a) and (g(ii)) of the *Local Government Act 2020*. It contains Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released; AND private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

Pursuant to section 66(5)(b) of the *Local Government Act 2020*, if released the information to be received, discussed or considered in relation to this agenda item may prejudice the commercial position of Council. **(under separate cover)**

RECOMMENDATION

That Council

1. Sell 12-14 Allen Street, Korong Vale, within 10% of the independent valuation price as attached to this report, and
2. Authorise the Chief Executive Officer to undertake the necessary administrative actions to complete the sale.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

At the Council meeting of 23 February 2021 Council resolved to sell the property at 12-14 Allen Street, Korong Vale as it was considered to be surplus. At that time the proposed sale was publicly advertised in accordance with section 223 of the *Local Government Act 1989* with no objections received. The property has not been sold and as such it remains on the surplus property list for disposal.

Properties identified as being surplus to Council and community needs were discussed at the September 2023 Council Forum and the January 2024 Council Briefing, this property was included in those reports/discussions.

At the Council meeting of 23 January 2024 Council resolved to sell additional properties. As part of the land disposal process outlined in the *Local Government Act 2020*, these properties were advertised and submissions requested. Allen Street was included as one of the properties proposed for sale.

Councillors discussed the property at the April Council Forum. The objector who requested to present their submission was invited to present at the briefing session held prior to the Council meeting.

BACKGROUND

The building located on the property of 12-14 Allen Street Korong Vale was formerly used as a Community Health Centre by Inglewood and District Health Service (IDHS) for planned activity group sessions for seniors one day per week until the building was closed due to COVID-19 in March 2020. IDHS were contacted to discuss alternative venues for the holding of the activity group, and the session was moved to the Korong Vale Town Hall when it resumed.

It is usual practice for Councils to review the property stock and consider the need to purchase or dispose of properties to best serve the community. Consideration is taken into if the land/building does not or will not support, facilitate or contribute to current or future service delivery outcomes as identified.

Identification of properties as surplus is based on the following:

- lack of any significant identifiable and demonstrable community need
- if the asset is surplus to the needs of Council
- have no strategic value to Council on a long term basis
- ongoing cost to maintain the asset or the service provided by the asset
- any cultural or historical significance of the asset
- site location only being suitable for consolidation of titles with a neighbouring property.

ISSUES/DISCUSSION

Korong Vale have recently reinstated a community planning committee, with the group discussing priorities for action within the township. One of the items discussed is the reinstatement of the building located on this parcel of land, for community purpose.

Korong Vale currently have two community asset committees, delegated to support the management of assets within the township, those being:

- Korong Vale Sports Centre - to administer, manage and control the facility known as Korong Vale Sports Centre.
- Korong Vale Mechanics Hall - to administer, manage and control the facility known as the Korong Vale Mechanics Hall.

The Korong Vale Mechanics Hall, has recently undergone major repair, works including, wall cladding, painting and a new roof.

If this property, and building, were to be retained, a community asset would be required to be formed by resolution of Council to manage the asset. Responsibilities of Community Asset Committees, as set out in the Community Asset Committee Policy are:

- fulfilling any roles, responsibilities and functions as required by Council and as set out in the Instrument of Delegation and the Governance Manual
- managing these roles, responsibilities and functions, subject to Council's policy and direction and in accordance with the Act, the Instrument of Delegation and the Governance Manual
- carrying out the management, general operations and regulating the usage of the facility
- facilitating patronage, accepting bookings for the facility subject to Council's policy and direction
- managing risks associated with the operation of the facility in accordance with Council's policy and developing and reviewing the facilities where required

- raising funds, where required, to provide for the ongoing management, operation and purpose of the committee including, maintenance of the facility in accordance with the Building Asset Management Plan
- providing an Annual Report to the CEO in a format approved by the CEO
- advising Council immediately of fraud or suspected fraud
- reviewing and minuting the receipt of the Council policies at a committee meeting.

COST/BENEFITS

The Former Korong Vale and District Community Citizens Centre Committee of Management in its signed agreement of 2020, requested that Council treat the proceeds of any sale of the Centre and its land to the benefit of the Wedderburn Aged Care Facility project. Funds from the sale of land and buildings reserve would generally be held in reserve for use toward future purchase or development of Council land and buildings, for example residential housing development or industrial land.

Council agreed to this request as a part of the resolution in 2020, that profits from the sale proceeds would be held in reserve to be used for contribution to a Wedderburn Aged Care Facility project, if the project was permitted for building commencement prior to 30 June 2024. Officers considered that it was important that a date be stated to provide guidance as to how long the funds would be held in reserve, enabling adequate time for feasibility, planning and permit stages prior to funds be required for project contribution. It was noted that, if the funds remained in reserve after the date, they would then be available for use by Council as guided by the Financial Reserve Policy.

All aspects of the building would require basic repair and/or updating if use of the building was to be reinstated by a Community Planning Committee or Council, such as painting, floor covering, undercover area and external cladding replacement.

Council is currently paying Fire Services Levy on this property; sale would be a benefit to Council in eliminating this ongoing cost. Council's townscapes team also maintain the landscape at this site.

Council has building assets with a replacement value of just over \$60 million as part of an asset base valued in the order of \$530 million. Council has insufficient income to meet the renewal of these assets and it is therefore important that Council maximises use of assets and minimises costs. Given the service level needs for Korong Vale can be met this facility is considered surplus and it is financially responsible to dispose of the asset.

Costs to-date have included valuation, advertising, and legal fees in 2021 and advertising in 2024. Costs are taken from the Land and Buildings Reserve.

There is a general economic development benefit to Council in offering a property for sale.

RISK ANALYSIS

The sale of the property is pertaining to be a reputational risk from statements being shared by community members through social media and the local press.

The unused building holds a risk of public liability.

CONSULTATION AND ENGAGEMENT

Prior to Council resolving to sell the property in 2021, IDHS were contacted to inform them of Councils intention to sell and to discuss options available for the continuance of their program that they had previously run in the building. The Committee of Management confirmed cessation of its control of the building.

Following the January briefing properties were advertised with the intention to sell. As a long period had lapsed from the initial advertisement of intention to sell, this property was again publicly advertised for intent to sell as per the current community engagement steps in accordance with the *Local Government Act 2020*, and unlike 2017 the neighbouring land holders for this particular property were notified of the intention.

During the intention to sell period two objections were received as attached.

RESOLUTION 2024/58

Moved: Cr Neil Beattie

Seconded: Cr Dan Straub

That Council

1. Sell 12-14 Allen Street, Korong Vale, within 10% of the independent valuation price as attached to this report, and
2. Authorise the Chief Executive Officer to undertake the necessary administrative actions to complete the sale.

CARRIED

Unconfirmed

10.3 DELEGATION REVIEW - COUNCIL TO THE CHIEF EXECUTIVE OFFICER

File Number: FOL/19/126337

Author: Lisa Clue, Manager Governance

Authoriser: Lincoln Fitzgerald, Chief Executive Officer

Attachments: 1. Instrument of Delegation - Council to the Chief Executive Officer - April 2024

RECOMMENDATION

That Council resolves:

1. To delegate to the person holding, 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.
2. The instrument comes into force immediately when signed by the Chief Executive Officer and Mayor.
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 instrument must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

Council last formally reviewed its Instrument of Delegation to the Chief Executive Officer at the June 2022 Council meeting.

At its February 2023 meeting, Council authorised the Chief Executive Officer to purchase and pay for goods, services and works under Contract 556 to the value of \$750,000 for the purpose of delivering flood restoration works.

Councillors most recently discussed this matter at the April 2024 Council Forum.

BACKGROUND

As a legal entity and not a 'natural person', Council can act in only one of two ways: by resolution or through others acting on its behalf. The power for Council to act by resolution is set out in section 59 of the *Local Government Act 2020* (the Act).

Alternatively, a Council can act through others. A number of acts and regulations provide for Council to delegate certain powers, duties or functions to members of Council staff. Where this is to occur, appointments are formalised through a written 'instrument of delegation'.

Delegations to the Chief Executive Officer are provided for under section 11 of the Act, which also prescribes a number of powers, duties and functions not able to be delegated.

In addition to the legislative requirement for all delegations to be reviewed within 12 months after a general election, delegations are reviewed regularly as, at times Council decisions are the subject of legal scrutiny, which calls for precision about what decision was made, who made it and when it was made.

ISSUES/DISCUSSION

This report seeks the following updates to the Instrument of Delegation to the Chief Executive Officer:

1. An increase to the Chief Executive Officer expenditure limit for entering into a contract - from \$300,000 to \$825,000, inclusive of GST [Conditions and Limitations 1.1]
2. Increasing the limitation on making expenditure from \$300,000 to \$825,000, inclusive of GST [Conditions and Limitations 1.2]
3. Adding one additional situation where expenditure may exceed the above amount, being fire services property levy expenditure [Conditions and Limitations 1.2 c)]
4. Limiting expenditure made in situations described under 1.2 a), b) and c) to \$1,200,000, inclusive of GST [Conditions and Limitations 1.2]

Proposed changes are incorporated into the Instrument of Delegation attached to this Agenda report.

COST/BENEFITS

Amending the Instrument of Delegation to the Chief Executive Officer will not have any financial impacts for Council.

RISK ANALYSIS

Routine review of delegations ensures that council staff, including the Chief Executive Officer are able to act on behalf of Council in accordance with relevant and current legislation and regulations.

CONSULTATION AND ENGAGEMENT

Council subscribes to the Maddocks Authorisations and Delegations Service, which provides advice regarding legislative amendments and template instruments.

Governance staff, in consultation with Councillors, the Chief Executive Officer and Director Corporate have initiated this delegation review.

RESOLUTION 2024/59

Moved: Cr Linda Jungwirth

Seconded: Cr Neil Beattie

That Council resolves:

1. To delegate to the person holding, 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.
2. The instrument comes into force immediately when signed by the Chief Executive Officer and Mayor.
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 instrument must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

CARRIED

10.4 FEES AND CHARGES FOR THE YEAR 1 JULY 2024 TO 30 JUNE 2025

File Number: FOL/23/3754
Author: Deanne Caserta, Manager Financial Services
Authoriser: Michelle Stedman, Director Corporate
Attachments: 1. Draft Fees and Charges Schedule 2024/25

RECOMMENDATION

That Council

1. Approves the Fees and Charges for the year spanning 1 July 2024 to 30 June 2025 for the purposes of seeking public comment with the Draft Budget;
2. Provide preliminary notification of residential accommodation charge changes to tenants.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

A draft Fees and Charges Schedule (Schedule) was provided to Councillors for consideration at the Council Forum held on 13 February 2024.

BACKGROUND

Each year as a part of the budget process a Schedule is prepared and submitted for approval by Council. This year it is proposed that the Fees and Charges for the year 1 July 2024 to 30 June 2025 be advertised together with the Draft Budget so that the community is able to see the whole suite of Council finances in context.

ISSUES/DISCUSSION

The approach for the 2024/25 schedule was to review fees and charges in line with the Financial Plan, which includes an indexation of 2.75% to discretionary fees and charges.

Some cost areas within the Schedule have a proposed increase of more than 2.75% due to rounding to nearest dollars (or five dollars).

Swimming pool fees are expected to remain the same as the previous year given existing service performance, however given the comparatively low fees and end of contract this may need to increase in future years.

Landfill and transfer stations are also expected to remain the same.

Generally, the new Schedule would take effect from the start of the 2024/25 financial year, however, included in the Schedule are residential accommodation charge changes. These would require a minimum notice period of 60 days. Notification would be forwarded to tenants as soon as practicable after consideration of Council with any approved price increase receiving its required notice period.

COST/BENEFITS

The adoption of the Schedule provides a transparent process and allows the community to provide feedback about the proposed fees and charges prior to approval by Council.

Raising fees and charges on particular services helps to provide an equitable contribution of revenue towards the cost of service delivery.

RISK ANALYSIS

There is a minor risk of avoidance of payment by customers.

CONSULTATION AND ENGAGEMENT

The Fees and Charges provided in the Schedule have been considered in detail by the Management Executive Group and Council.

RESOLUTION 2024/60

Moved: Cr Dan Straub

Seconded: Cr Wendy Murphy

That Council

1. Approves the Fees and Charges for the year spanning 1 July 2024 to 30 June 2025 for the purposes of seeking public comment with the Draft Budget;
2. Provide preliminary notification of residential accommodation charge changes to tenants.

CARRIED

Unconfirmed

10.5 SEEKING FEEDBACK FOR THE 2024/25 DRAFT ANNUAL BUDGET

File Number: FOL/23/3754

Author: Deanne Caserta, Manager Financial Services

Authoriser: Michelle Stedman, Director Corporate

Attachments: 1. Loddon Shire Council DRAFT Annual Budget 2024-25

RECOMMENDATION

That Council:

1. seek feedback on the Draft Annual Budget in accordance with the Community Engagement Policy
2. adopt the proportion of rates raised within various valuation categories as follows:
 - Rural Production to have a differential rate 12% lower than the General (Residential, Commercial and Other) differential rate
3. agree that the above distribution of rates raised demonstrates fairness and equity across the municipality
4. implement a differential rate to be struck between categories of Rural Production and General as follows:
 - General (Residential, Commercial and Other) - 0.19408 Cents in the Dollar of Capital Improved Value
 - Rural Production - 0.17083 Cents in the Dollar of Capital Improved Value
5. apply a Municipal Charge of \$243 to all properties, except where an exemption has been granted for a Single Farm Enterprise under the *Local Government Act 1989*
6. apply a Garbage Charge of \$401 per Residential Garbage Service (140 Litre Bin) and \$545 per Commercial Garbage Service (240 Litre Bin)
7. apply a Kerbside Recycling Service Charge of \$151 per service (240 Litre Bin)
8. create a 'Flood Restoration Reserve' within the Financial Reserves Policy v11, using the transfer to and from detailed within this Council Report
9. alter the Draft Annual Budget to include a transfer to the 'Flood Restoration Reserve' of \$2.50 million.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

Council was presented with the 2024/25 Draft Annual Budget (the Draft Budget) at a Council Forum on 9 April 2024.

BACKGROUND

The Draft Budget has been prepared following discussions with Councillors and senior officers.

Council has once again used the Best Practice Guide 'Model Budget' to assist with developing the budget. The Executive Summary is based on this model and has been prepared to provide an explanation of the major components of the Draft Budget.

A number of financial reports have also been developed outlining expected income and expenditure for all areas of Council in 2024/25 and comparing these to the forecast actual results for 2023/24.

The Draft Budget includes:

- the continuation of a positive cash position
- the continuation of the Community Planning program
- projects and initiatives included in Council's various strategic plans
- no new borrowings
- continuation of the use of discretionary reserves.

Council's rating increase for 2024/25 is in line with the Victorian State Government's Rate Capping Policy which has been set at 2.75% on the 2023/24 forecast budget rate income.

Council has discretion over increases relating to garbage and recycling charges, and has included a nil increase in the Draft Budget. An increase in individual bin services and adjustments to the costing of public space bins continue to ensure a cost neutral position for waste collection services while responding to the introduction of additional statutory requirements.

This Draft Budget includes the second year of flood recovery and asset restoration as a result of the major flooding in 2022. In response to this and to strengthen Council's ability to financially contribute as required, an alteration to the Financial Reserves Policy is proposed to assist in funding flood restoration works that are deemed ineligible for funding via State or Federal Government funding streams, or through insurance. The proposed adjustment to the Policy is detailed below:

Flood Recovery Reserve – To be added to Section 3.2.1 of the Financial Reserves Policy v11.

Council transfers to the reserve: annually an amount determined during the budget process.

Council transfers from the reserve: the net cost of unfunded flood restoration projects.

ISSUES/DISCUSSION

Subject to Council approval, the Draft Budget will be advertised seeking feedback from the community. Council would receive submissions until close of business on Monday 27 May 2024. This is the same timeframe proposed for feedback on the Draft Fees and Charges Schedule.

It is proposed that Council would consider any feedback received at the Council Forum to be held on Tuesday 11 June 2024 and consider formally adopting the Budget at the Ordinary Meeting of Council to be held on Tuesday 25 June 2024.

COST/BENEFITS

The benefits to Council and the community are that a consultative budget process complies with the *Local Government Act 1989* and the *Local Government Act 2020*. The Budget provides a measure for accurate planning, and ensures that Council can deliver services and projects included in the document.

RISK ANALYSIS

The risk to Council of not considering and then advertising the Draft Budget is that it will not comply with requirements under the *Local Government Act 1989* and the *Local Government Act 2020*.

CONSULTATION AND ENGAGEMENT

The Community Engagement Policy outlines community engagement as an ongoing dialogue with our community to identify civic issues and opportunities and assist Council with planning and informed decision-making.

The feedback and input from community engagement promotes:

- transparency in decision making
- relationship building with communities and stakeholders
- increased community and stakeholder capacity to understand issues facing Council.

Council acknowledges and adheres to the Community Engagement Principles contained in section 56 of the *Local Government Act 2020*.

RESOLUTION 2024/61

Moved: Cr Linda Jungwirth

Seconded: Cr Wendy Murphy

That Council:

1. seek feedback on the Draft Annual Budget in accordance with the Community Engagement Policy
2. adopt the proportion of rates raised within various valuation categories as follows:
Rural Production to have a differential rate 12% lower than the General (Residential, Commercial and Other) differential rate
3. agree that the above distribution of rates raised demonstrates fairness and equity across the municipality
4. implement a differential rate to be struck between categories of Rural Production and General as follows:
 - General (Residential, Commercial and Other) - 0.19408 Cents in the Dollar of Capital Improved Value
 - Rural Production - 0.17083 Cents in the Dollar of Capital Improved Value
5. apply a Municipal Charge of \$243 to all properties, except where an exemption has been granted for a Single Farm Enterprise under the *Local Government Act 1989*
6. apply a Garbage Charge of \$401 per Residential Garbage Service (140 Litre Bin) and \$545 per Commercial Garbage Service (240 Litre Bin)
7. apply a Kerbside Recycling Service Charge of \$151 per service (240 Litre Bin)
8. create a 'Flood Restoration Reserve' within the Financial Reserves Policy v11, using the transfer to and from detailed within this Council Report
9. alter the Draft Annual Budget to include a transfer to the 'Flood Restoration Reserve' of \$2.50 million.

CARRIED

10.6 ESTABLISHING FORMAL POSITIONS OF COUNCIL POLICY V1

File Number:**Author:** Renae Colls, Executive Assistant**Authoriser:** Lincoln Fitzgerald, Chief Executive Officer**Attachments:** 1. Establishing Formal Positions of Council Policy v1

RECOMMENDATION

That Council adopts the Establishing Formal Positions of Council Policy.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

The Establishing Formal Positions of Council Policy v1 (the Policy) was presented to Council for discussion at the 2024 April Council Forum.

BACKGROUND

Council adopted the Council Advocacy Policy v4 on 25 May 2021. That version outlines Council's advocacy actions, but does not provide any guidance on where Council will invest resources to form a position, or not form a position.

The purpose of this report is to adopt a policy that formalises how Council should respond to requests for a statement of position and/or advocacy on specific matters, where it has no existing position.

Establishing Formal Positions of Council Policy (attached) formalises Council's current unwritten approach of not adopting a position on matters that are the subject of a State or Federal referendum or are international matters over which Council has no authority or responsibility.

The Policy also formalises the process for responding to requests received from other Australian Local Government Authorities where requests relate to matters which are of little direct relevance to the Loddon Shire community and/or are a relatively low priority to Council.

In instances where there may be merit in Council establishing a position on a specific matter, the policy sets out the basis on which such a decision (that is, whether to form a position or not) would be made.

ISSUES/DISCUSSION

In recent years, Council has been requested to state its position on specific matters raised at State, National and International political levels. However, Councillors have been clear they consider that Council taking a position on such matters is not appropriate.

Council is also receiving an increasing number of requests for support from other councils in Victoria, particularly metropolitan and interstate councils. Our Council is asked to undertake lobbying activities to State or Federal Governments on matters of little relevance to Loddon Shire's community. To date, these have been responded to following discussions between the Mayor and CEO, concerning Councillors where it has been unclear on the likely view of Council.

A lack of adopted policy on how such matters will, or will not, be considered by Council has meant responses can appear (at least to those making the request) that Council does not support their cause, or that Council forming a position is open to negotiation.

Equally, Council's involvement in highly emotive and complex matters, over which it has no authority or ability to determine the outcome, can create greater division and negative impacts within the community, rather than enabling a more accepted outcome.

The *Local Government Act 2020* - Part 2, Division 1, Clause 8 provides that:

- (1) The role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.*
- (2) A Council provides good governance if—*
 - (a) it performs its role in accordance with section 9;*
 - (b) the Councillors of the Council perform their roles in accordance with section 28.*
- (3) In performing its role, a Council may—*
 - (a) perform any duties or functions or exercise any powers conferred on a Council by or under this Act or any other Act; and*
 - (b) perform any other functions that the Council determines are necessary to enable the Council to perform its role.*
- (4) If it is necessary to do so for the purpose of performing its role, a Council may perform a function outside its municipal district.*

Different councils across Victoria have varying interpretations about how these provisions should be enforced. In Loddon, this has been articulated as Council focussing on the core service and asset responsibilities of Council. Broadly however, it appears that the larger metropolitan Councils, and to an extent some of the regional cities, consider it more appropriate to engage in State, Federal and International political matters than rural Councils. This is likely due, in part, to their greater levels of available resources, a stronger alignment with political parties and greater diversity within their communities when compared to rural Councils.

The Loddon Shire Council Plan 2021-2025 (page 18) states that Council will communicate our community's interests and priorities to government and other decision makers that are aligned with our objectives. The strategic direction is very clear that Council will advocate in the best interests of the Loddon community, provided it is in line with the objectives stated in the Council Plan.

Loddon Shire Council has consistently maintained that its primary focus is on ensuring that the decisions over which it has responsibility and authority are as well-informed as possible. As a small and highly resource-constrained Council, the ability to understand and analyse the complexities of national and international political matters is very limited. A further challenge associated with such requests, is the highly disruptive impact that they can have on 'business as usual' activities of Councillors and Officers. There have been extensive demands placed on the Mayor and Officers to urgently respond to matters over which Council has no control or authority. This has led to frustration for those asking for assistance and exhaustion for, already busy Councillors and Officers.

It is the view of officers that the ongoing range of legislative changes pursued at both State and Federal Government levels, where there is a direct and potentially significant implication for Council and/or the community, should be a higher priority.

Another important factor in Council's decision on whether to invest in establishing a position and undertaking advocacy on a specific matter, must be a pragmatic assessment of the extent to which the ultimate decision makers will be influenced by Council's view. It is suggested that the more remote the matter from Loddon Shire, the less impactful Council's opinion will be and therefore the less value there is in investing time and effort to form a view.

It is also often the case that overarching bodies, such as the Municipal Association of Victoria, the Australian Local Government Association, Rural Councils Victoria or the Victorian Local Government Association, are undertaking the necessary research and analysis to form and advocate a well-developed view on matters that impact this Council. In such instances, it is suggested that Council again consider the extent to which its own work to develop a position, or to undertake advocacy, is warranted.

Including provisions in the policy to reflect these considerations is therefore proposed.

COST/BENEFITS

This Policy has been developed for consideration using internal resources.

A key reason for establishing this policy, is to formalise the existing approach being taken by Council to manage its resources in the most efficient and impactful way when requests on specific matters are raised.

RISK ANALYSIS

The following risks have been considered in accordance with Council's risk appetite statement adopted January 2024.

Financial Risk: Council has moderate appetite for financial risks.

The Policy aims to manage Council's financial (and resource) risk by establishing clear boundaries on what matters it will become involved in. It also requires that, for those matters where Council may consider becoming involved, the decision-making process will include information about the financial and resource implications of doing so.

Compliance with Regulatory Obligations: Council has low appetite for compliance risks.

Council's strong focus on ensuring that it complies with laws and regulations is important in this matter, as it influences the amount of effort that goes into responding to regulatory changes proposed by the State and Federal governments. Attempting to ensure that the implications of legislative changes for Loddon Shire are understood by governments is therefore often given a high priority when allocating organisational resources. The limitations proposed by this Policy on Council's involvement in other matters are reflective of this priority.

Reputation Risk: Council has low appetite for reputational risks.

This Policy seeks to deal with reputational risk in many ways.

First, it establishes at a structural level what matters Council will not involve itself in; that is, in matters of foreign policy and those that are being prosecuted with the Australian public through State or Federal referendums. It is intended that this will help avoid community expectations for Council to become involved in such matters and remove any surprises should a request be made.

Second, it seeks to maintain a positive and respected reputation with State and Federal governments. It does so by limiting the Council's development of positions to those that have clear and strong connection to the Loddon Shire and to those that are not the subject of processes such as referendums.

Third, it sets out a review process to determine the merits of establishing a position on a new, specific matter; including the associated resource implications for Council and the likely impacts on other decision-makers if pursued. Should a decision be made to proceed to form a position, it also responds to the Council's commitment to appropriately engage with the community and other stakeholders.

Health and Safety Risk: Council has no appetite for health and safety risks.

Matters being debated or negotiated at an international and national level are quite often highly complex and deeply heart felt by those who are directly impacted, or those with friends or family who are impacted. As previously noted, the adoption of this Policy is intended to make clear that Council will not get involved in such matters and therefore reduce the expectations, and consequent frustration, that might otherwise be felt. In doing so, it is anticipated that this will better support the health and wellbeing of the community members, Councillors and staff involved in such requests by giving a clear and timely response.

The potential for Council's involvement in such matters to, of itself, raise the level of emotion felt and expressed within the community is also important to recognise when considering the health and safety impacts of this Policy. In addition to feelings of frustration that Council is going beyond its remit, those in the community who feel aggrieved by Council for other reasons may feel compelled to express their views on a matter much more forthrightly than if the Council were not involved. Hence, this polarising effect may be more negative for those directly impacted by the matter than the potential positive impacts of feeling Council's support.

CONSULTATION AND ENGAGEMENT

The Policy has been developed to reflect the existing informal approach that Council has taken and is therefore considered to reflect the role that this Council believes is appropriate and pragmatic. Accordingly, it is not proposed to seek community feedback on the policy at this time.

The policy notes a 1 year review timeframe.

RESOLUTION 2024/62

Moved: Cr Dan Straub

Seconded: Cr Neil Beattie

That Council adopts the Establishing Formal Positions of Council Policy.

CARRIED

Unconfirmed

10.7 FEDERAL INQUIRY INTO LOCAL GOVERNMENT SUSTAINABILITY

File Number:**Author:** Lincoln Fitzgerald, Chief Executive Officer**Authoriser:** Lincoln Fitzgerald, Chief Executive Officer**Attachments:** Nil

RECOMMENDATION

That Council:

1. Authorise the Mayor to finalise a submission to the Federal Inquiry into Local Government Sustainability on behalf of Loddon Shire Council; and,
2. That the submission be generally in accordance with the issues outlined within this report.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

Councillors discussed this inquiry briefly during General Business at the Council Forum on 9 April 2024. Councillors also received a briefing regarding this inquiry at the Council Briefing on 23 April 2024.

BACKGROUND

The House of Representatives Standing Committee on Regional Development, Infrastructure and Transport adopted an inquiry into local government sustainability on 21 March 2024, following a referral from the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP.

The Committee is seeking written submissions **by 3 May 2024** from organisations and individuals that provide recommendations relating to any or all of the inquiry's terms of reference.

Federal Government funding is critical to the ongoing financial sustainability of Loddon Shire Council. The Financial Assistance Grants provide in the order of 1/3 of Council's recurrent income to fund service provision and infrastructure.

Council has discussed its long-term sustainability for a number of years. Budget forecasts demonstrate that the current funding model is unsustainable at current service levels because service and infrastructure costs are increasing at a greater level than Council's income streams.

Committee Membership:

1. Chair - Mr Luke Gosling OAM, ALP, Solomon NT
2. Deputy Chair - Mr Tony Pasin MP, Lib, Barker SA
3. Mr Colin Boyce MP, LNP Qld, Flynn QLD
4. Hon Scott Buchholz MP, LNP Qld, QLD
5. Ms Lisa Chesters MP, ALP, Bendigo VIC
6. Dr Helen Haines MP, Ind, Indi VIC
7. Mr Rob Mitchell MP, ALP, McEwen VIC
8. Ms Tracey Robers MP, ALP, Pearch WA
9. Ms Joanne Ryan MP, ALP, Lalor VIC
10. Mr Tony Zappia MP, ALP, Makin SA

Media Release (excerpt):

Chair of the Committee, [Mr Luke Gosling OAM, MP](#), said ‘the Committee has prioritised a deeper understanding of local government financial sustainability and funding frameworks, alongside the changing infrastructure requirements and service delivery obligations for local governments. Local government sustainability is essential to supporting our Australian communities through the provision of vital infrastructure and related services. The Committee is seeking to understand the challenges faced by local governments in servicing infrastructure requirements across Australia’s regional, rural, and remote locations.’

Mr Gosling further emphasised that ‘the Committee is aware of significant public infrastructure workforce shortages, particularly in local government areas, and the importance of promoting skills development and job security for Australians. The Committee will examine labour hire and retention trends, including the impacts of labour hire practices, to identify barriers and opportunities to support our local workforce and local government sustainability and service delivery obligations.’

Media release:

https://www.aph.gov.au/About_Parliament/House_of_Representatives/About_the_House_News/Media_Releases/New_inquiry_-_Australia's_local_government_sustainability

ISSUES/DISCUSSION

If Loddon Shire Council is to formally resolve upon a submission to this inquiry, a resolution will be required at the Scheduled Council meeting today to meet the written submission deadline of 3 May 2024.

Federal Government funding is critical to the ongoing financial sustainability of Loddon Shire Council. The Financial Assistance Grants provide in the order of 1/3 of Council’s recurrent income to fund service provision and infrastructure. While the deadline for submissions is short, a submission to this inquiry highlighting the critical role of Federal funding is of high importance to Loddon Shire Council and is consistent with Council’s strategic direction and risk appetite.

With expenditure inflation outpacing income growth, Council is unsustainable. If there is no change to the current funding model, local governments across Victoria will be forced to reduce services and infrastructure.

Terms of Reference:

The Committee will inquire into and report on local government matters, with a particular focus on:

- The financial sustainability and funding of local government
- The changing infrastructure and service delivery obligations of local government
- Any structural impediments to security for local government workers and infrastructure and service delivery
- Trends in the attraction and retention of a skilled workforce in the local government sector, including impacts of labour hire practices
- The role of the Australian Government in addressing issues raised in relation to the above
- Other relevant issues.

Federal Financial Assistance Grants

Financial Assistance Grants account for approximately 1/3 of Council's income. Financial Assistance Grants are allocated to each state under the Local Government (Financial Assistance) Act 1995. The Grant program consists of two components (1) General Purpose Grants and (2) Local Roads. Both grants are untied in the hands of local government, allowing councils to spend the grants according to local priorities.

Local government grants commissions in each state and the Northern Territory recommend the distribution of the funding under the program. In accordance with the Act and National Principles for allocating grants.

The quantum of the grant pool changes annually in line with changes in population and the Consumer Price Index.

The Victorian Local Government Grants Commission is highly respected by rural Councils and has a sound financial formula to deliver a fair and equitable outcome while meeting the national principles. Metropolitan Councils are less supportive of the formula as it operates according to relative need, meaning small rural councils have a greater need for financial assistance and are therefore greater beneficiaries.

The following short notes are proposed to form the basis of a submission to the terms of reference.

- **The financial sustainability and funding of local government**

Loddon Shire Council's long term financial sustainability is challenging. Council's long term financial plan indicates deficit budgets over the coming ten year period with a cash deficit and significant asset renewal gap.

Council's Asset Plan indicates an asset base of \$527 million, however asset plans have not yet been developed for all asset classes and this value could be expected to increase. As a result of this data gap Council is currently reliant upon valuation based depreciation to understand its renewal ratio. The 2022/23 Annual Report noted a renewal ratio of just under 48% (that is renewal expenditure against depreciation). If this trend continues Council's assets will decline in condition and functionality. Council's Asset Plan forecasts a renewal gap of 13% or \$2,164,874 over the next 10 years for those assets which have an asset management plan.

Broadly, Council is funded by rates, fees/charges, recurrent grants and non-recurrent grants. Council's cost drivers are wages relating to service delivery, plant & materials and contractors. As a local government area which is amongst the largest geographic areas in Victoria, Loddon also has a small population to support its services and infrastructure costs. Additionally, due to the dispersed population across multiple settlements, costs are often significantly higher to deliver services or the service is duplicated in multiple locations to make it accessible.

Council is critically reliant upon Financial Assistance Grants to remain sustainable with these grants making up around 1/3 of Council's budget. When introduced in 1974 these grants were the equivalent of 1% of Federal taxation, however in recent decades this amount has been reduced to just below 0.5%.

In 2023/24 Council received \$10,761,000 in untied Financial Assistance Funding. This approximately 1/3 of Council's budget in an ordinary year (that is excluding flood restoration income/expense). This funding consisted of \$6.2 million General Purpose and \$4.5 million Local Roads – refer *Cost/Benefits* below.

State Government funding is provided typically for once-off programs and projects as tied funding and are highly subject to annual change. Examples include capital grants for sporting infrastructure. Operational grants are also provided for services such as libraries, however these once \$1:\$1 funded services have generally shifted with Councils meeting the majority of costs.

Reduced federal funding, cost shifting from other levels of government, increased expectations upon Council and inflation outpacing income growth all lead to a challenging financial outlook for local government.

- **The changing infrastructure and service delivery obligations of local government**

Loddon Shire Council provides what could fairly be described as core services to our community. While there is sometimes a community desire for Council to grow and expand its service footprint, this is not financially possible due to the limited revenue and cost of service delivery over a large area.

Further limiting Council's financial capacity to expand services is the impact of severe weather events. There is a fair expectation that Council builds back better after natural disasters. After recent flood events, Council has invested significantly in building climate resilient infrastructure to reduce cost and impact of future events. This growing asset has impacted on the volume of Council's asset renewal program with individual projects being of a higher upfront financial value.

- **Any structural impediments to security for local government workers and infrastructure and service delivery**

The Victorian State Government introduced the Fair Go Rates System commonly referred to as the 'rate cap' in 2016. The cap is set annually by the Minister for Local Government before 31 December. Since introduction there is a significant cumulative difference between the rate cap and actual inflation across Council's key expenditure areas which has resulted in a compounding impact upon local government revenue and ultimately service delivery.

The Minister for Local Government is provided with advice from the Essential Services Commission (ESC) and late 2023 the ESC advised:

....In our view, the gap between the rate cap and inflation, rising construction costs, and the expectation of future wage increases have the potential to present major cost pressures on councils going forward...

The ESC advice further notes that wages across the state account for around 40% of Council expenditure. In 2022/23 the average Wages increase was 2.8% and the Victorian Budget Update in May forecasts Wages to grow by 3.5% in 2024/25.

From a sector perspective the Fair Work Ombudsman website indicates 33 councils will have expired Enterprise Agreements by the end of 2023/24. With such low rate caps against high inflation, the industry will see downward pressure on service levels and offering.

Please refer to the Essential Service Commission: Letter to Minister for Local Government – Advice on the average rate cap for 2024-25 for further information:

<https://www.esc.vic.gov.au/local-government/annual-council-rate-caps/our-advice-setting-council-rate-caps#:~:text=meet%20their%20needs,-.Our%20latest%20advice%20to%20the%20Minister%20for%20Local%20Government,all%20councils%20in%202024%E2%80%9325>

Loddon Shire Council's Enterprise Agreement is tied to the rate cap meaning 2024/25 wages will grow by 2.2% cash plus 0.5% statutory superannuation contribution. This total increase of 2.7% within a rate cap of 2.75%. The other major cost driver for Loddon Shire is construction which has experienced significant escalation in recent years. These major cost drivers exceeding the income available to Council will result in service reductions and assets deteriorating faster than they are being renewed.

The Victorian Rate Cap has bipartisan support and is unlikely to be removed, however unlike some other states, there is no local government cost index upon which the Essential Services Commission can base the cap. Local government could be more sustainable if the rate cap was linked to relevant cost drivers for local government and was consistent across states. The Committee may wish to consider a national local government cost index.

- **Trends in the attraction and retention of a skilled workforce in the local government sector, including impacts of labour hire practices**

The Victorian Auditor General's 2021-22 Report into Local Government outlined:

In 2021–22 all council cohorts experienced higher staff turnover due to greater labour market opportunities. The sector's average staff turnover was 20 per cent in 2021–22. This was up from 14 per cent in 2020–21.

The report further identifies that while the average is 20% it was higher across the small rural shire grouping who have the greatest difficulty sourcing skilled labour. While Loddon has a relatively low turnover rate by comparison it is not immune to the challenges of workforce attraction. Amongst others, one such example is Loddon Shire Council has been seeking to recruit a Municipal Building Surveyor for a number of years without success. As a result, Council is contracting support for this area of operations which remains under resourced.

- **The role of the Australian Government in addressing issues raised in relation to the above**

Recommendations from Loddon Shire Council:

1. Return Financial Assistance Grants back to 1% of federal taxation.
2. The Financial Assistance Grants and National Principles for allocation are supported by Loddon Shire Council. Horizontal equalisation allows Loddon Shire Council to function effectively and without these sound principles the future viability of our municipality would be further challenged.
3. Development of a nationally consistent local government cost index to assist in setting a fair and equitable rate cap.

- Other relevant issues.

No further comment.

COST/BENEFITS

Loddon Shire Council is highly reliant upon Financial Assistance Grants for its sustainability. If these grants were no longer available, significant service reductions would be required and investment in roads would decline significantly.

Loddon Shire Council's Financial Assistance Grants 2023-24:

General Purpose Grants	\$6,244,000
Local Roads Grants	\$4,517,000
Total Allocation	\$10,761,000
+ 2022-23 underpayment	\$ 465,000
Cash payment 2023-23	\$11,225,000

The Victorian Local Government Grants Commission's assessment of relative expenditure needs for Loddon Shire is \$44,567,000 minus revenue raising capacity of \$7,120,000. This General Purpose Grant is therefore only 16.6% of what is required if Loddon is to meet the average expected service level. This grant is limited to 16.6% due to the funding pool available to the commission.

Local Roads Grant allocations are based on road lengths, traffic volumes, local characteristics (climate, freight and sub-grades). In Victoria the lowest is \$73,000 (Queenscliffe 43kms) and highest is \$5.97m (Wellington). Again, Loddon's \$4.5m is 16.9% of its relative need.

RISK ANALYSIS

Council's risk appetite statement (adopted January 2024) considers financial sustainability. Within the statement is the following sentence regarding financial sustainability:

...We will manage our financial position for long-term sustainability, and promote our reputation through transparent and open transactions with our communities, government, staff and other stakeholders...

Council has adopted a moderate appetite for risks associated with ongoing financial sustainability. This means Council is willing to accept a potential negative impact for pursuit of strategic objective, given equal considerations. Council takes a balanced approach to risk taking to pursue potential reward.

A Federal inquiry into local government sustainability provides both an opportunity and risk. It is an opportunity to highlight the high value for money services provided, value of federal funding and its importance to local government. The inquiry also poses a risk if any changes to funding models are not in the best interests of Loddon Shire Council as a small rural council with limited revenue opportunities.

CONSULTATION AND ENGAGEMENT

No consultation has been undertaken in preparing this report.

Council's Community Satisfaction Survey indicates that the community is seeking additional investment in services and infrastructure which are directly impacted by Financial Assistance Grants.

Council's submission would be published and publicly available on the inquiry website.

RESOLUTION 2024/63

Moved: Cr Dan Straub

Seconded: Cr Wendy Murphy

That Council:

1. Authorise the Mayor to finalise a submission to the Federal Inquiry into Local Government Sustainability on behalf of Loddon Shire Council; and,
2. That the submission be generally in accordance with the issues outlined within this report.

.CARRIED

Unconfirmed

10.8 C606 - TARNAGULLA FOOTPATH RENEWAL PROJECT**File Number:** 14.01.001**Author:** Adam Cooper, Project Management Coordinator**Authoriser:** David Southcombe, Manager Assets and Infrastructure**Attachments:** 1. **Tender Evaluation Report - Confidential**

This attachment is designated as confidential in accordance with Section 3(1)(g(ii)) of the *Local Government Act 2020*. It contains private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

(under separate cover)

2. **Project Budget - Confidential**

This attachment is designated as confidential in accordance with Section 3(1)(g(ii)) of the *Local Government Act 2020*. It contains private commercial information, being information provided by a business, commercial or financial undertaking that if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage.

(under separate cover)

RECOMMENDATION

That Council

1. Award Contract 606 – Tarnagulla Footpath Renewal Project to Maine Civil Pty Ltd;
2. Authorise the Chief Executive Officer to undertake the necessary administrative actions to complete the contract documents.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

The Tarnagulla footpath renewal project forms part of the Annual Infrastructure Program 2023-2024. This program was approved by Council at its June 2023 ordinary meeting.

BACKGROUND

In March 2024, Loddon Shire advertised a tender for Contract 606 – Tarnagulla Footpath Renewal Project, which closed on the 10th April 2024.

The Annual Infrastructure Program has sufficient funds to complete the 4 sections of Commercial Road, Tarnagulla (between Wayman and King St). A report covering the Annual Infrastructure Program was provided to Council at its June 2023 ordinary meeting.

One of the sections is funded from Council allocations originally slated in the 2021-22 program, and the other three sections are being funded by the Local Roads and Community Infrastructure Program (LRCIP) stage 4 to be used by June 2025.

ISSUES/DISCUSSION

The annual footpath program identified approximately 900m of footpath for renewal. Being located in Tarnagulla the project involves the nature-strip being concreted as well. This is due to the existing conditions, being asphalt from kerb to fence line. Additionally, based on feedback from the community its proposed to utilise black colouring in the concrete to emulate the asphalt look as this what the community would like to keep.

The evaluation criteria and weightings for the tender assessment are:

- mandatory risk management including OH&S requirements and relevant insurances, pass or fail
- financial benefit to Council, weighting 40%
- capability, demonstrated experience, systems and processes, weighting 25%
- capacity, access to labour, commitment to end date, weighting 25%
- financial benefit to community, weighting 10%

Following publicly advertising, five conforming tenders were submitted. The submissions have been evaluated by an assessment panel (three Council officers in conjunction with Councils contract supervisor). Their Tender Evaluation Report reviewed in confidential Attachment 1.

Based on the tenders submitted, Maine Civil Pty Ltd demonstrated best value, the capacity and capability to undertake and deliver this project.

COST/BENEFITS

Three of the five submitted tenders are lower than the budget allocated within the 2023-24 Annual Infrastructure Program for the renewal program. The renewal program will be funded by Council and LRCIP Stage 4 funding.

The tendered submission is lower than the allocated budget. The unallocated portion of the budget for this contract is detailed in Attachment 2; it will be retained for the contract period to cover adjustments to Telstra pits and contingency for variations. Completion of the Tarnagulla Footpath Renewal Project will ensure compliance with Council's Footpath Asset Management Plan 2021.

All tenderers are based outside of the Loddon Shire. Three tenderers indicated that they had sub-contractors that reside with the Municipality. All tenders also indicated that some materials would be sourced from within Loddon Shire. Other local benefits as indicated in the tender submissions will largely be through accommodation, fuel and meals for the works crew.

RISK ANALYSIS

Maine Civil Pty Ltd has successfully completed the annual footpath program for Loddon Shire Council in 2022-2023.

There is the potential for project variations that increase the total cost of works. The estimated cost of the works and any variations are expected to be accommodated within the project budget.

Risk emanating from this project and company is expected to be minimal.

Council intends to work closely with Maine Civil Pty Ltd to ensure all sections are poured with the right/same amount of colouring to ensure minimal differences over the blocks.

CONSULTATION AND ENGAGEMENT

The development of this contract and tender has been prepared in consultation with the Assets and Infrastructure Department and Finance Department.

The Assets & Infrastructure team met a number of times with the Tarnagulla community group to discuss this project.

RESOLUTION 2024/64

Moved: Cr Linda Jungwirth

Seconded: Cr Wendy Murphy

That Council

1. Award Contract 606 – Tarnagulla Footpath Renewal Project to Maine Civil Pty Ltd;
2. Authorise the Chief Executive Officer to undertake the necessary administrative actions to complete the contract documents.

CARRIED

Unconfirmed

11 INFORMATION REPORTS

Nil

12 COMPLIANCE REPORTS

Nil

13 URGENT BUSINESS

Nil

Unconfirmed

14 CONFIDENTIAL ITEMS**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 66(1) and 66(2)(a) of the Local Government Act 2020:

14.1 Appointment of Audit and Risk Committee Independent Member

This matter is considered to be confidential under Section 3(1)(f) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs.

Personal information regarding recruitment and selection

14.2 First Right of Refusal - 2 St Arnaud Road, Wedderburn

This matter is considered to be confidential under Section 89(2)((d)), ((e)) and ((h)) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contractual matters, proposed developments and Any other matter which the Council or special committee considers would prejudice the Council or any person.

RESOLUTION 2024/65

Moved: Cr Linda Jungwirth

Seconded: Cr Neil Beattie

That the meeting be closed to the public to consider the following confidential items:

14.1 Appointment of Audit and Risk Committee Independent Member

14.2 First Right of Refusal – 2 St Arnaud Road, Wedderburn.

CARRIED

14.1 APPOINTMENT OF AUDIT AND RISK COMMITTEE INDEPENDENT MEMBER**RESOLUTION 2024/66**

Moved: Cr Linda Jungwirth

Seconded: Cr Neil Beattie

That Council appoint Amber Currie as an Independent Member of the Audit and Risk Committee for a four-year term from 1 May 2024 to 30 April 2028.

CARRIED

14.2 FIRST RIGHT OF REFUSAL - 2 ST ARNAUD ROAD, WEDDERBURN

RESOLUTION 2024/67

Moved: Cr Dan Straub

Seconded: Cr Wendy Murphy

That Council:

1. authorise the Chief Executive Officer to purchase the former Wedderburn Police Station at 2 St Arnaud Road, Wedderburn in accordance with the Valuer General Victoria's final valuation; and,
2. authorise the purchase of this property to be funded from the Land and Buildings reserve.

CARRIED

NEXT MEETING

The next Meeting of Council will be held on 28 May 2024 at Wedderburn commencing at 3.00pm.

There being no further business the meeting was closed at 5.02pm.

Confirmed this.....day of..... 2024

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CHAIRPERSON