



Alpine Shire

ORDINARY COUNCIL MEETING

MINUTES

M10 – 2 October 2018

Bright Council Chambers

7:00pm



The next **Ordinary Meeting** of the **Alpine Shire Council** was held in the Council Chambers, Great Alpine Road, Bright on **2 October 2018** and commenced at **7:00pm**.

PRESENT

COUNCILLORS

Cr Ron Janas – Mayor

Cr Sarah Nicholas – Deputy Mayor

Cr John Forsyth

Cr Kitty Knappstein

Cr Tony Keeble

Cr Daryl Pearce

Cr Peter Roper

OFFICERS

Ms Nathalie Cooke – Acting Chief Executive Officer

Mr William Jeremy – Director Assets

Ms Emma Woolaston – Acting Director Corporate

APOLOGIES

Mr Charlie Bird – Chief Executive Officer



AGENDA

1	RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS	4
2	ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS, AND RECOGNITION OF ALL PEOPLE	4
3	CONFIRMATION OF MINUTES.....	4
3.1	ORDINARY COUNCIL MEETING – M9 – 4 SEPTEMBER 2018	4
4	APOLOGIES.....	4
5	OBITUARIES / CONGRATULATIONS.....	4
6	DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST.....	5
7	PUBLIC QUESTIONS	5
8	PRESENTATION OF REPORTS BY OFFICERS.....	6
8.1	DIRECTOR ASSETS – WILLIAM JEREMY	6
8.1.1	Myrtleford Indoor Sports Stadium Expansion	6
8.1.2	Lock Hardware Replacement.....	9
8.1.3	Wide Area Mowers.....	12
8.1.4	Eurobin Flood Bypass.....	14
8.2	ACTING DIRECTOR CORPORATE – EMMA WOOLASTON	17
8.2.1	Alpine Shire Council Annual Report 2017/18	17
8.2.2	Audit Committee Meeting No. 2018/19-2, 12 September 2018	24
9	ASSEMBLY OF COUNCILLORS.....	27
10	GENERAL BUSINESS	28
11	MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN.....	28
12	RECEPTION AND READING OF PETITIONS	28
13	DOCUMENTS FOR SEALING.....	29



1 RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS

The Acting CEO read the following statement:

All council meetings are filmed with both video and audio being recorded.

Video is focused on a specific area however audio from the entire room is captured.

By speaking during question time, or at any time during the meeting, you consent to your voice and any comments you make being recorded.

In common with all narrative during council meetings verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes.

The reasoning behind recording council meetings is of course to hold us more accountable and improve transparency of council's decision making to our community.

The full meeting is being streamed live on Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

2 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS, AND RECOGNITION OF ALL PEOPLE

The Acting CEO read the following statement:

The Alpine Shire Council acknowledges the traditional owners of the land we are now on.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

3 CONFIRMATION OF MINUTES

3.1 ORDINARY COUNCIL MEETING – M9 – 4 SEPTEMBER 2018

Cr Roper

Cr Pearce

That the minutes of Ordinary Council Meeting M9 held on 4 September 2018 as circulated be confirmed.

Carried

4 APOLOGIES

Mr Charlie Bird – Chief Executive Officer

5 OBITUARIES / CONGRATULATIONS

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au; for its YouTube live-streaming recording for responses to questions.



6 DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au; for its YouTube live-streaming recording for responses to questions.

7 PUBLIC QUESTIONS

Questions on Notice will be limited to two questions per person.

Questions on Notice can be written or from the floor.

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au; for its YouTube live-streaming recording for responses to questions.



8 PRESENTATION OF REPORTS BY OFFICERS

8.1 DIRECTOR ASSETS – WILLIAM JEREMY

8.1.1 Myrtleford Indoor Sports Stadium Expansion

File Number: CT18047

INTRODUCTION

This report relates to the award of a contract for the construction of the Myrtleford Indoor Sports Stadium Expansion. The work includes the construction of a new multipurpose sports stadium including a timber sprung floor, accessible facilities, two ambulant toilets and a meeting room.

Cr Keeble

Cr Forsyth

That Council awards Contract No. 1804701 for the Construction of Myrtleford Indoor Sports Stadium Expansion to Joss Construction for the Lump Sum price of \$2,207,573+GST.

Carried

BACKGROUND

In February 2017, Council was awarded grant funding of \$1.3 million from the State Government's Better Indoor Stadiums fund for the expansion of the Myrtleford Indoor Sports Stadium. A further \$1.25 million has been committed by Council, with a \$50,000 contribution from the Myrtleford and District Basketball Association bringing the total project budget to \$2.6 million. The project is being delivered across two financial years, and scheduled to be completed by 30 June 2019.

In September 2017, a contract was awarded to K20 Architecture for architectural services. The detailed design and documentation was completed in July 2018, and the construction was subsequently tendered.

The Invitation to Tender was advertised in the Herald Sun and Border Mail, and on the tenders.net and Alpine Shire Council websites. Tenders opened on 23 July 2018 and closed on 22 August 2018. The Tender documents were downloaded by 20 prospective tenderers and five conforming tender submissions were received.

EVALUATION

The evaluation panel consisted of the Director Assets, Manager Asset Development and the Project Manager.

The Tenders were evaluated according to the key selection criteria listed in the Invitation to Tender:

- Price
- Qualification & Previous Performance
- Delivery



- Social

Following the initial assessment of offers, three of the tenders were shortlisted to take part in further evaluation. The tenderers were invited to clarify aspects of their tender and provide further detail on their proposed program including their ability to meet the required timeframes. Reference checks were carried out. Through this evaluation process it was determined that the tender from Joss Construction best met the selection criteria.

POLICY IMPLICATIONS

The tender was advertised and evaluated in accordance with Council's Procurement Policy.

This recommendation is consistent with the following Strategic Objective of the Council Plan 2017-2021:

- Incredible places for our community and visitors.

FINANCIAL AND RESOURCE IMPLICATIONS

The total project budget is \$2.6 million, comprising \$1.3 million of grant funding from Sport and Recreation Victoria, a contribution of \$50,000 from the Myrtleford and District Basketball Association, and the remaining \$1.25 million funded by Council.

There is sufficient allocation within the project budget to deliver the stadium construction works through award of this Contract.

CONSULTATION

A detailed feasibility study was carried out in support of the grant funding application, through which the needs and aspirations of the current and proposed user groups were identified, the existing facilities were assessed, and the local demographic and current sporting trends were considered.

The concept design and cost estimate were developed in consultation with the existing user groups, the State sporting organisations, and Sport and Recreation Victoria.

Further consultation with user groups and other stakeholders continued through the design refinement and detail design development.

CONCLUSION

Following a comprehensive tender assessment, the tender from Joss Construction was considered to present the best value for Council.



DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Asset Development
- Project Manager

ATTACHMENT(S)

- Nil



8.1.2 Lock Hardware Replacement

File Number: CT18025

INTRODUCTION

This report relates to the award of a contract for the replacement of the locks on Council's assets with locks keyed to a new master key design.

Cr Forsyth

Cr Pearce

That Council awards Contract No. 1802501 for Lock Hardware Replacement to Alpine Locksmith Services based on the tendered schedule of rates.

Carried

BACKGROUND

Council's master key system is now 20 years old and Council can no longer buy lock barrels or keys that work with our existing system. Lock hardware is now being replaced outside of the existing master key system, increasing operational challenges and reducing asset security.

An Invitation to Tender for the design of a new master key system, the replacement of lock hardware, and the ongoing servicing of locks and keys, was advertised on tenders.net and on Alpine Shire Council's website on 6 August 2018, and in the Herald Sun and Border Mail. Tenders closed on 3 September 2018. The Tender documents were downloaded by 10 prospective tenderers. Three conforming and one non-conforming tender submissions were received.

EVALUATION

The evaluation panel consisted of the Director Assets, Manager Asset Development, Manager Facilities, Depot Operations Officer and Project Manager.

The Tenders were evaluated according to the key selection criteria listed in the Invitation to Tender:

- Price
- Qualifications and Previous Performance
- Delivery
- Social

Following the initial assessment of offers, two of the tenders were shortlisted to take part in further evaluation. The tenderers were invited to clarify aspects of their tender, and detailed reference checking was carried out. Through this evaluation process it was determined that the tender from Alpine Locksmith Services best met the selection criteria.



ISSUES

Awarding this contract will result in a long-term commitment to the appointed locksmith, as the locksmith who designs the system will own the security key blanks, and will only be able to issue lock barrels and keys which work in Council's new master key system. Legal advice has been sought in preparing the contract to ensure that Council's rights are protected in the event that the successful tenderer ceases to trade in the future.

Lock hardware replacement will be carried out in two stages, addressing the highest priority locks in 2018/19, and completing the remaining replacements in 2019/20.

POLICY IMPLICATIONS

The tender was advertised and evaluated in accordance with Council's Procurement Policy. This recommendation is consistent with the following Strategic Objective of the Council Plan 2017-2021:

- Incredible places for our community and visitors.

FINANCIAL AND RESOURCE IMPLICATIONS

Lock hardware replacement and ongoing servicing has been tendered on a schedule of rates. Based on a preliminary assessment of the number and types of locks currently installed across all of Council's assets and the tendered rates, the total estimated cost for replacing Council's lock hardware is \$85,000, of which \$25,000 is associated with high priority works to be delivered in 2018/19, and the remaining \$60,000 to be budgeted for delivery in 2019/20.

There has been no budget allocated in 2018/19 due to uncertainty associated with the scope of works. However it is a priority to undertake these works to reduce overall costs and security risks.

In recent years, the annual cost of servicing Council's locks has been approximately \$4,500 per year.

CONSULTATION

Consultation has been carried out with the following organisations and people:

- Local locksmiths;
- Manufacturers of lock hardware;
- Benalla Rural City Council, Falls Creek Resort Management Board, Towong Shire Council, and City of Wodonga; and
- Council's operations and maintenance staff.

CONCLUSION

Following a comprehensive tender assessment, the tender submission from Alpine Locksmith Services is deemed to present the best value for Council.



DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Asset Development
- Manager Facilities
- Depot Operations Officer
- Project Manager

ATTACHMENT(S)

- Nil



8.1.3 Wide Area Mowers

File Number: AS.0082.00

INTRODUCTION

This report relates to the award of a Contract for the supply and delivery of two wide area mowers.

Cr Nicholas

Cr Keeble

That Council awards a Contract for the supply and delivery of two Toro 4000-D wide area mowers to AGPower Mowers for the lump sum price of \$163,454+GST.

Carried

BACKGROUND

Council currently operates two wide area mowers which are used to maintain large open space areas including town entries. The machines average 800 hours usage per year, and both have logged approximately 2,650 hours.

Maintenance costs for the machines increased over the last season, and experience in neighbouring councils is that the risk of failure increases with continued use beyond this point, which can result in expensive repairs and impact on the availability of the machines through the mowing season. Replacement of both machines is recommended whilst the trade-in value is still good.

Quotes were sought from three separate manufacturers through the Local Government Procurement Service provided by MAV Procurement. Three conforming and one non-conforming quotes were received.

EVALUATION

The evaluation panel consisted of the Director Assets, Manager Asset Maintenance, Civil Works Coordinator and the Depot Operations Officer.

The quotes were evaluated according to the following key selection criteria:

- Cost
- Suitability
- Previous Performance
- Capacity to Deliver
- Social

Through this evaluation process it was determined that the quote received from AGPower Mowers based on the supply and delivery of the Toro 4000-D mower best met the selection criteria.



ISSUES

There is a significant difference in the stated fuel economy for machines supplied by different manufacturers. Over the lifecycle of the machine this results in a significant difference in both the cost and the environmental impact of operating different machines. The quote evaluation process has resulted in a recommendation to award to the supplier of machines which do not have the lowest purchase price of the quotes received, however which have the best fuel economy and result in the lowest overall cost to Council when considered over the life of the machine.

POLICY IMPLICATIONS

Quotes were sought and evaluated in accordance with Council's Procurement Policy. This recommendation is consistent with the following Strategic Objective of the Council Plan 2017-2021:

- Infrastructure and open space that our community is proud of.

FINANCIAL AND RESOURCE IMPLICATIONS

There is sufficient budget to purchase the wide area mowers.

CONSULTATION

Input was sought from a number of different local councils to assist in the preparation of the specification, and subsequent evaluation of the quotes received.

CONCLUSION

Following a comprehensive assessment process, the quote from AGPower Mowers for the supply of two Toro 4000-D wide area mowers is deemed to present the best value for Council.

DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Asset Maintenance
- Civil Works Coordinator
- Depot Operations Officer

ATTACHMENT(S)

- Nil



8.1.4 Eurobin Flood Bypass

File Number: CT18048

INTRODUCTION

This report relates to the award of a contract for the construction of the Eurobin Flood Bypass.

Cr Keeble

Cr Pearce

That Council awards Contract No. 1804801 for the Construction of Eurobin Flood Bypass Road to Stadelmann Enterprises for the lump sum price of \$257,382.32+GST.

Carried

BACKGROUND

In August 2017, Council was awarded grant funding of \$182,000 under the Natural Disaster Resilience Grants Scheme for the upgrading of a section of the Murray to Mountains Rail Trail, to act as a flood bypass road for the Great Alpine Road at Eurobin. A further \$182,000 has been committed by Council bringing the total available funding to \$365,000.

The project will deliver a widened and strengthened section of the rail trail capable of carrying traffic off the Great Alpine Road during times of closure due to flooding. The upgrade removes the need for a lengthy road detour via Rosewhite, Coral Bank, and Tawonga.

Detailed design was completed in July 2018, and the construction was subsequently tendered. The invitation to tender was advertised in the Herald Sun and Border Mail, and on the tenders.net and Alpine Shire Council websites. Tenders opened on 13 August 2018 and closed on 3 September 2018. The Tender documents were downloaded by 18 prospective tenderers and three conforming tenders were received.

EVALUATION

The evaluation panel consisted of the Director Assets, Manager Asset Development and the Project Manager.

The Tenders were evaluated according to the key selection criteria listed in the Invitation to Tender:

- Price
- Qualification & Previous Performance
- Delivery
- Social



Each of the tenderers was invited to clarify aspects of their tender and provide further detail on their proposed program including their ability to meet the required timeframes. Through this evaluation process it was determined that the tender from Stadelmann Enterprises best met the selection criteria.

POLICY IMPLICATIONS

The tender was advertised and evaluated in accordance with Council's Procurement Policy.

This recommendation is consistent with the following Strategic Objective of the Council Plan 2017-2021:

- Incredible places for our community and visitors.

FINANCIAL AND RESOURCE IMPLICATIONS

The total project budget is \$365,000, comprising \$182,000 of Commonwealth and State Government funding via the Natural Disaster Resilience Grants Scheme, and the remaining \$182,000 funded by Council.

There is sufficient allocation within the project budget to deliver the construction works through award of this Contract.

CONSULTATION

VicRoads and emergency services organisations were engaged during the scoping of this project and were strongly supportive of the application for funding. This engagement has continued through the detailed design, and the focus is now on finalising the procedures and associated responsibilities for the operation of the bypass.

Adjacent landowners have been engaged during the scoping and design of the project to discuss any potential impacts.

During construction, access and use of the rail trail will largely be maintained, however with some delays and interruptions, particularly in the later stages during sealing of the pavement. Traffic management will be implemented by the contractor during the works.

CONCLUSION

Following a comprehensive tender evaluation assessment, the Tender from Stadelmann Enterprises is considered to present the best value option for Council.



DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the Local Government Act 1989, the following officers declare that they have no interests to disclose in providing this report:

- Director Assets
- Manager Asset Development
- Project Manager

ATTACHMENT(S)

- Nil



8.2 ACTING DIRECTOR CORPORATE – EMMA WOOLASTON

8.2.1 Alpine Shire Council Annual Report 2017/18

File Number: 900.01

INTRODUCTION

The purpose of this report is to present Council's 2017/18 Annual Report for consideration by Council.

Cr Keeble

Cr Nicholas

That in accordance with section 134 (1) of the Local Government Act 1989, Council note the Alpine Shire Council 2017/18 Annual Report.

Carried

BACKGROUND

Council's 2017/18 Annual Report (the "Report") has been prepared in accordance with requirements of the *Local Government Act 1989* and includes a report on the operations of the Council, an audited performance statement, and audited financial statements.

The Financial Statements and Performance Statement included in the report have been approved in principle by Council, audited, endorsed by Audit Committee, and certified by two Councillors authorised by Council. In addition the Report has been submitted to the Minister for Local Government by the legislated date of 30 September, and the final Report must now be considered by Council.

The Report includes the following sections:

- Performance Report
- Governance Report
- Grants and Funding
- Financial Report.

PERFORMANCE REPORT

This section of the Report provides an overview of progress of the strategic themes outlined in the 2017-2021 Council Plan. This is the first year of reporting against this Council Plan. Key achievements include:

A high performing organisation

- Council achieved an overall score of 62 in Community Satisfaction Survey 2018 which exceeded the average for Small Rural Councils of 56.
- Council continued to advocate on behalf of the community to all levels of government. A key advocacy outcome in 2017/18 was securing funding for the



Mount Buffalo Business Case Assessment and Activation Project and establishment of the Mount Buffalo Task Force.

A responsible and sustainable organisation

- Council reviewed the Dinner Plain Special Rate and its application is now aligned to the rest of the Shire, in that going forward only commercial properties will be charged the Special Rate of 43%, which aligns to the Commercial Differential Rate. This means a significant saving for Dinner Plain residential ratepayers who have paid the Special Rate in prior years.
- A number of financial functions were migrated to new software providing efficiency, accuracy and compliance benefits.
- Savings of \$0.1m were made through renegotiation of technology arrangements across Council's mobile plans and printer fleet.

Incredible places for our community and visitors

- Council delivered 99% of its budgeted capital works expenditure of \$8.35m. Key deliverables included:
 - Alpine Better Places - Mafeking Square Precinct, Bright
 - Alpine Better Places - Porepunkah
 - Alpine Better Places - Myrtleford Stage 1 - Standish Street roundabout
 - Significant progress on the Alpine Events Park with completion scheduled for 2018/19

Infrastructure and open space that our community is proud of

- Council's 2017/18 Reseals Program delivered significant improvements to roads in the Kiewa Valley.
- Council operated a community relief centre in Myrtleford following more than 100mm rainfall in one day in early December 2017. Council's outdoor crew promptly responded to drainage issues and tree removals following this event.
- An Asset Management software system was procured to improve Council's management, valuation and renewal of its assets.

Highly utilised and well managed community facilities

- Kerbside collection services were reviewed and new contracts put in place. Landfill operations at Myrtleford ceased with all landfill waste now diverted out of the Shire.
- Council secured grant funding of \$467,000 for the upgrade of the Myrtleford Library, providing the opportunity to present a modern and welcoming space that better meets the needs of library user groups.



A well planned and safe community

- Council undertook extensive planning and building compliance checks resulting in a number of warning letters, enforcement orders and prosecutions in the most serious cases.
- Council adopted a Domestic Animal Management Plan with implementation planned to commence in 2018/19. Council continues to liaise with the RSPCA in relation to implementation initiatives.
- Council reunited sixty pets with their owners and rehomed twenty unregistered pets that were not claimed from Council's pound.

A thriving and connected community

- Council's community grants program assisted 25 projects to be delivered by community groups across the Shire. The Community Development team also delivered a number of initiatives including the Youth Awards, Children's Week events, the Youth Art Paste-Up project, and the Myrtleford Senior Citizen Centre activation project.
- Council's event funding program assisted 124 events to be delivered across the Shire with an estimated economic impact of \$42m.
- Twelve new tourism videos were produced and launched with strong online engagement. A short video of a local trail running identity gained 85,000 views on YouTube. Facebook followers increased by 16% to over 18,000 and Instagram followers increased by 41% to nearly 9,000.

GOVERNANCE REPORT

This section of the Report contains required statutory information including:

- Council's role and administrative details;
- How Council obtains best value for ratepayers;
- Council documents available for public inspection;
- Council's compliance to relevant Acts;
- An overview of Council's local laws.

GRANTS AND FUNDING

This section of the Report provides an overview of Grants awarded by Council through its community grants and tourism festival and events funding programs, including festival and events funding for Dinner Plain.

FINANCIAL REPORT

This section of the Report contains the audited Financial and Standard Statements, Audit Certificate, Performance Statement and Independent Auditor's Report.



Council's Financial Performance

Council ended the 2017/18 year with a surplus of \$7.1m, which was \$4.4m in excess of the \$2.7m surplus projected in the 2017/18 Annual Budget (the "Budget").

1. Income

The favourable surplus is largely attributed to Council receiving more income than expected in 2017/18. Altogether Council received \$31.5m in income which was \$4.7m favourable to the Budget projection of \$26.8m. This income can be broken down into the following categories:

1.1 Additional rates and charges

Council received total rates and charges of \$17.8m which was \$0.3m favourable to Budget due to unbudgeted supplementary development in the Alpine Shire.

1.2 Additional grant income

Council received total grant income (both operating and capital) of \$9.0m which was \$2.8m favourable to Budget. Major contributors to the favourable result included:

- Early receipt of half of the 2018/19 Victorian Grants Commission grant, being an unbudgeted payment of \$1.9m;
- A Roads to Recovery grant that was \$0.6m higher than expected;
- Unbudgeted grants, including:
 - \$0.5m for Alpine Better Places Myrtle Street;
 - \$0.5m for the upgrade of the Myrtleford Library;
 - \$0.2m for the Mount Buffalo Business Case Assessment and Activation;
 - \$0.1m for the Eurobin Flood Bypass.

These gains were partially offset by grants which had been budgeted for 2017/18 but which were received in late 2016/17, which included:

- \$0.2m for the Alpine Better Places Mafeking Square project;
- \$0.2m for the Mount Beauty Pool Upgrade.

In addition, \$0.4m of grants expected for the Alpine Events Park project were delayed from 2017/18 to 2018/19.

1.2 User fees

Council received \$1.6m in user fees which was \$0.6m favourable to Budget, primarily due to higher than expected user fees for Myrtleford Holiday Park as Council planned to lease the park earlier in the year, and this plan was delayed.

1.3 Statutory fees and fines

Council received \$0.7m in statutory fees and fines which was \$0.2m favourable to Budget, due to higher than anticipated property development activity resulting in an increase in statutory planning fees.



1.4 Contributions non-monetary

Council received \$0.6m in non-monetary contributions which was \$0.4m favourable to Budget due to higher than expected development activity in the Alpine Shire.

1.5 Other Income

Other Income was \$1.2m which was \$0.4m favourable to Budget due to increases in valuations of investment properties, including the Myrtleford Holiday Park and the Bright Holiday Park.

2. Expenses

Overall expenses were \$24.4m which was \$0.3m higher than Budget. This was primarily due asset revaluations resulting in asset write-offs of \$0.4m and a net loss on disposal of property, infrastructure, plant and equipment of \$0.8m. These expenses were partially offset by savings in employee costs and materials and services. In further detail:

2.1 Assets written-off / impaired

\$0.4m in assets were written-off / impaired compared to a Budget projecting nil write-offs / impairments. This was due to a revaluation of properties held for sale, including Lyndhurst and assets expected to be sold as part of the lease of the Myrtleford Holiday Park.

2.2 Employee Costs

Employee costs were lower than budgeted by \$0.6m due to the ongoing impact of vacant positions, the majority of which are now filled.

2.3 Materials and services

Materials and services were \$0.2m less than budgeted. Significant areas which were favourable to budget included:

- Lower than expected asset maintenance costs (\$0.2m lower than the budget of \$2.7m);
- Carry forwards of selected planning projects due to vacancies (\$0.2m);
- Negotiated savings in the technology budget (\$0.1m).

These were partially offset by:

- Spend on contractors to support workforce vacancies (\$0.2m);
- Higher than expected operating costs for the Myrtleford Holiday Park due to a delay in plans to lease the park (\$0.2m).

2.4 Depreciation

Depreciation was \$4.6m which was \$0.3m higher than expected primarily due to a revaluation adjustment error in the Budget.



2.5 Landfill rehabilitation expense

An adjustment was made to future landfill rehabilitation assumptions regarding the future impacts of inflation, resulting in an outcome \$0.2m favourable to Budget.

2.6 Net loss on disposal of property, infrastructure, plant and equipment

Council made an overall loss of \$0.8m which was \$0.7m higher than Budget, primarily due to a review of recreation assets leading to selected assets being reclassified as non-capital expenses.

Performance Statement

The Performance Statement provides an overview of Council progress against key performance indicators. The Local Government Performance Reporting Framework (LGPRF) provides the basis for these indicators to enable a uniform Performance Statement across all Victorian councils.

The majority of indicators were consistent with last year with only minor movements.

Satisfaction with Council Decisions and Satisfaction with Sealed Local Roads both increased from 57 to 60, reflecting an overall positive result for Council across Community Satisfaction Survey results.

There was a reduction in follow-ups on critical and major non-compliance notifications in relation to Food Safety, from 45% to 33%. This was due to a vacancy within Council's Environmental Health unit which is now filled.

Generally the financial indicators show that Council is financially sustainable and that services are being delivered within expected parameters.

Council's Working Capital Ratio increased from 285% to 423% due to receiving income in excess of Budget by \$4.7m. This Working Capital Ratio is expected to reduce over the course of FY18/19, particularly in the light of this year's substantial major capital works program totalling \$11.3m.

Workforce turnover reduced from 31% in 2017 to 7% in 2018. The 2017 result was abnormally high due to Council's Home and Community Care service being recommissioned to another provider with the majority of staff transitioned on 1 July 2016.

ISSUES

The surplus indicated in the Report has increased from \$6.6m to \$7.1m since the Financial Statements were approved in principle by Council. This was because the auditors found that the impact of some asset revaluations needed to be redistributed from Assets Written-Off / Impaired to other line items in the Comprehensive Income Statement, including Net Loss on Disposal of Property, Infrastructure, Plant and Equipment, and the Net Asset Revaluation Decrement / Increment. It is noted that the latter line item does not contribute to the surplus.

In addition, detailed reconciliation of asset revaluations during the audit process revealed that selected open spaces assets had been missed from the revaluation



process. As such the revaluation for open spaces has been removed from the Financial Statements and will be postponed until the FY18/19 Annual Report.

Finally, auditor feedback on improvements to the Performance Indicators was incorporated. This included advice to incorporate term deposits in unrestricted cash, which reduced the unrestricted cash ratio (unrestricted cash compared to current liabilities) from 334% to 1%. In addition some adjustments to Council's Capital Improved Value for the purpose of calculating rates were incorporated; increasing rates effort (rate revenue compared to property values) from 0.5% to 0.6%, consistent with prior years.

POLICY IMPLICATIONS

Council has prepared its 2017/18 Annual Report in line with the requirements of the *Local Government Act 1989*.

CONSULTATION

The Report will be made available on Council's website on Tuesday 2 October 2018. Printed hard copies will also be available at the following customer service locations:

- Alpine Shire Council, Great Alpine Road, Bright;
- Mount Beauty Library, Lakeside Avenue, Mount Beauty; and
- Myrtleford Library, Standish Street, Myrtleford.

CONCLUSION

The 2017/18 Annual Report shows that Council is financially sustainable and that Council services are being delivered within expected parameters.

Council ended the 2017/18 year with a surplus of \$7.1 million, which is in excess of that predicted in the 2017/18 Annual Budget. The favourable surplus is largely attributed to Council receiving additional income in 2017/18 of \$4.7m.

DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate
- Manager Corporate
- Accountant
- Governance Officer

ATTACHMENT(S)

- 8.2.1 Alpine Shire Council 2017/18 Annual Report



8.2.2 Audit Committee Meeting No. 2018/19-2, 12 September 2018

File Number: 0900.06

INTRODUCTION

The purpose of this report is to present the minutes and recommendations of the Audit Committee meeting held on 12 September 2018.

Key items presented to and considered by the Committee at this meeting included:

- 2017/18 Annual Financial Statements (Draft);
- 2017/18 Annual Performance Statement (Draft);
- Internal Audit Plan; and
- Health and Safety Report.

Cr Nicholas

Cr Knappstein

That Council:

- 1. Receive and note the minutes of the 12 September 2018 Audit Committee Meeting No.2018/19-2; and*
- 2. Adopt the confidential 2017/18 Quarter 4 Health and Safety Report.*

Carried

BACKGROUND

Council must establish an Audit Committee under section 139 of the *Local Government Act 1989*. The Committee's charter requires it to report to Council its activities, issues and related recommendations. This report relates to Audit Committee Meeting No. 2018/19-2 held on 12 September 2018.

ISSUES

External Auditor

The Audit Committee held a teleconference with Kathie Teasdale, Audit Partner, Richmond Sinnott Delahunty Pty Ltd to discuss the 2017/18 year-end financial audit results, the performance statement and closing report. In addition the Committee and the Auditor discussed matters relating to audit findings including kerbside waste collection, infrastructure valuations, IT general controls and the long service leave accounting model.

2017/2018 Annual Financial Statements and Performance Statement

Each year Council is required to prepare an Annual Financial Report containing financial statements that are audited according to Australian Accounting Standards.

The financial statements show Council's financial performance, financial position, and cash flows against the previous year and comprise a balance sheet and statements of income, changes in equity, cash flows and capital works.



The annual performance statement is a specific requirement of section 131 of the *Local Government Act 1989*, and is generated from indicators and measures from the Local Government Performance Reporting Framework. It consists of six sustainable capacity indicators, 12 service performance indicators, and 12 financial performance indicators – all of which are subject to audit.

The Committee noted and endorsed in principle the draft 2017/18 annual financial statement and performance statement.

Internal Audit Plan 2018/19 - 2020/21

Development of an annual and longer term Internal Audit Plan is identified in Council's governance action sheet and the Committees Charter. The Internal Audit Plan responds to Council's identified risks and includes audit activities designed to improve Council's performance. The plan projects audits over the three year period 2018/19 to 2020/21. The Committee endorsed the Internal Audit Plan.

2017/18 Quarter 4 Health and Safety Report (Confidential)

The Committee reviewed the confidential 2017/18 Quarter 4 Health and Safety Report. The 2017/18 Quarter 4 Health and Safety Report highlights that employee hazard, incident, injury and near-miss reporting was down on the first three quarters of the year; neither of the two injuries during the quarter progressed to a WorkCover claim; and a broad range of mandatory and discretionary health and safety training was undertaken during the quarter.

The Committee endorsed the 2017/18 Quarter 4 Health and Safety Report for Council adoption.

POLICY IMPLICATIONS

Council complies with the following sections of the *Local Government Act 1989*.

Section 136:	Requires Council to implement the principles of sound financial management.
Section 139:	Requires Council to have an Audit Committee and act within the guidelines made by the Minister for Audit Committees.

This report is consistent with the following strategic objective in the Council Plan 2017-2021:

- A responsible and sustainable organisation.



CONCLUSION

The Audit Committee, being satisfied with the detail provided in its agenda and the officer reports, recommends Council adopt the detailed resolutions.

DECLARATION OF CONFLICT OF INTEREST

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate
- Manager Corporate
- Health, Safety and Risk Officer

ATTACHMENT(S)

- 8.2.2 (a) Audit Committee Meeting No. 2018/19-2 Minutes, 12 September 2018
- 8.2.2(b) 2017/2018 Quarter 4 Health and Safety Report (CONFIDENTIAL)



9 ASSEMBLY OF COUNCILLORS

INTRODUCTION

Section 80A of the *Local Government Act 1989* requires a written record of Assemblies of Councillors to be reported at an ordinary meeting of the Council and to be incorporated in the minutes of the Council meeting.

Cr Keeble

Cr Pearce

That the summary of the Assemblies of Councillor for August / September 2018 be received.

Carried

BACKGROUND

The written records of the assemblies held during the previous month are summarised below. Detailed assembly records can be found in Attachment 9.0 to this report.

Date	Meeting
28 August	Briefing Session
4 September	Briefing Session
18 September	Briefing Session

ATTACHMENT(S)

- 9.0 Assemblies of Councillors – August / September 2018



10 GENERAL BUSINESS

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au; for its YouTube live-streaming recording for responses to general business.

11 MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN

Nil.

12 RECEPTION AND READING OF PETITIONS

Nil.



13 DOCUMENTS FOR SEALING

Cr Pearce

Cr Forsyth

That the following documents be signed and sealed.

1. *Contract No 1801901 awarded to JH Building and Renovation for the Bright Office Renewal Stage 2.*
2. *Section 173 Agreement – Goulburn-Murray Rural Water Corporation and Dean James Sheppard. Lot 8 on Plan of Subdivision 534237 Volume 11466 Folio 473 Condition 11 of Planning Permit 2018.53.1 for construction of a dwelling at 10 Camping Park Road, Harrietville.*

The Agreement restricts the number of bedrooms and provides for wastewater requirements.

Carried

There being no further business the Chairperson declared the meeting closed at 7.40p.m

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Chairperson