

M(9) – 26 SEPTEMBER 2023

Ordinary Council Meeting

Minutes

The next **Ordinary Meeting** of the **Alpine Shire Council** was held in the Council Chambers, Great Alpine Road, Bright on **26 September 2023** and commenced at **5:00pm**.

PRESENT

COUNCILLORS

Cr John Forsyth - Mayor

Cr Tony Keeble - Deputy Mayor (attendance via electronic means)

Cr Katarina Hughes

Cr Ron Janas

Cr Sarah Nicholas

Cr Kelli Prime - (attendance via electronic means)

OFFICERS

Will Jeremy - Chief Executive Officer

Alan Rees - Director Assets

Ebony Buckley - A/Director Customer and Community

APOLOGIES

Cr Simon Kelley

Helen Havercroft - Director Customer and Community

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1. Recording and livestreaming of Council meetings

The 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.

In common with all narrative during Council meetings, verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes. By submitting a question, you consent to your question being read aloud at the meeting.

The reasoning behind recording council meetings is 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

All to stand, the Mayor read the following statement:

Alpine Shire Council acknowledges the Taungurung peoples as the Traditional Owners of the lands on which we are meeting today. Council also acknowledges all of the Traditional Owners of the wider lands of the area known as the Alpine Shire.

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 – M(8) – 29 AUGUST 2023

Cr Janas

Cr Keeble

That the minutes of Ordinary Council Meeting M(8) held on 29 August 2023 as circulated be confirmed.

Carried

4. Apologies

Cr Simon Kelley and
Helen Havercroft - Director Customer and Community

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

Nil

7. Public questions

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

Written Questions on Notice will be tabled ahead of questions 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 – ALAN REES

8.1.1 State Road Grading Program

File Number: 2304001

INTRODUCTION

This report relates to the award of a contract for the State Road Grading Program.

Cr Janas

Cr Nicholas

That Council:

- 1. Awards Contract No. 2304001 for 'State Road Grading Program' to North East Civil Construction for a maximum agreed cost of \$255,700 (GST exclusive); and*
- 2. Delegates authority to the Chief Executive Officer to sign the Contract.*

Carried

BACKGROUND

The State Road Grading Program will be carried out on the Dargo High Plains Road, Buckland Valley Road, Abbeyards Road and Rose River Road. Works will include the grading and drain cleaning to 82km of unsealed road.

EVALUATION

The Tender was advertised in the Border Mail on 4 August 2023, as well as on Tenders.net and the Alpine Shire Council website.

A total of 15 prospective tenders downloaded the document and five submissions were received.

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

1. Price
2. Qualifications and previous performance
3. Delivery
4. Social
5. Environmental Sustainability

ISSUES

Following the scoping and budget allocation for the State Road Grading Program, discussions between Council and Department of Energy, Environment and Climate Action (DEECA) led to a shared grading and cost arrangement for the Buckland Valley Road and Abbeyards Road this financial year. Council will be carrying out a first grade on all roads

in the program and DEECA will be carrying out a second grade on the above mentioned two roads.

POLICY IMPLICATIONS

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.5 Assets for our current and future needs

FINANCIAL AND RESOURCE IMPLICATIONS

The total adopted budget of the State Road Grading Program is \$290,000.

RISK MANAGEMENT

Key risks to the successful delivery of the project are as follows:

Risk	Likelihood	Impact	Mitigation Action / Control
DEECA fail to carry out the second grading of the Buckland Valley and Abbeyards Roads.	Unlikely	Moderate	<ul style="list-style-type: none"> • Maintain strong working relationship with DEECA • Refer maintenance requests to DEECA

CONSULTATION

Consultation has been undertaken with Council's Operations Team to finalise the scope of the contract.

Further consultation will take place with the public and stakeholders in relation to the timing for the opening of the Dargo High Plains Road.

CONCLUSION

Following a comprehensive assessment, the tender from North East Civil Construction is considered to present the best value option for Council.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Engineering and Assets
- Project Officer

ATTACHMENT(S)

Nil

8.1.2 Resealing 2023-24

File Number: 2303501

INTRODUCTION

This report relates to the award of a contract for the Resealing Program for 2023-24.

Cr Hughes
Cr Prime

That Council:

- 1. Awards Contract No. CT2303501 to GW and BR Crameri for the lump sum price of \$530,755 (GST Exclusive); and*
- 2. Delegates authority to the Chief Executive Officer to sign the Contract.*

Carried

BACKGROUND

Council undertakes spray seal works each year on road segments identified through its routine condition inspection program. The Resealing Program 2023-24 will be carried out in the Kiewa Valley.

EVALUATION

The Tender was advertised in the Border Mail on 26 July 2023, as well as on Tenders.net and the Alpine Shire Council website.

The tender documents were downloaded by 15 prospective tenderers and eight responses were received by the closing date.

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

1. Price
2. Qualifications and previous performance
3. Delivery
4. Social
5. Environmental Sustainability

ISSUES

Council is not aware of any issues.

POLICY IMPLICATIONS

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.5 Assets for our current and future needs

FINANCIAL AND RESOURCE IMPLICATIONS

A total budget of \$850,000 has been allocated to spray seal and asphalt renewal as well as the maintenance works required in preparation for the carrying out of these works.

There is sufficient allocation within the project budget to complete the spray seal and asphalt renewal works.

RISK MANAGEMENT

Key risks to the successful delivery of the project are:

Risk	Likelihood	Impact	Mitigation Action / Control
Works hindering traffic during school drop off and pick up times	Almost certain	Minor	<ul style="list-style-type: none"> Works on Lakeside Ave and Tennis Court Ave to take place during school holidays

CONSULTATION

Notification of the works will be advertised in the local newspaper. The contractor will inform impacted residents and businesses prior to works commencing.

CONCLUSION

Following a comprehensive assessment, the tender from GW & BR Crameri is considered to present the best value option for Council.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Engineering and Assets
- Project Officer

ATTACHMENT(S)

Nil

8.1.3 Myrtleford Savoy Soccer Club Upgrade

File Number: CT23030

INTRODUCTION

This report relates to the award of a contract for the Myrtleford Savoy Soccer Club Upgrade building works.

Cr Janas

Cr Hughes

That Council:

- 1. Awards Contract No. CT23030 for 'Myrtleford Savoy Soccer Club Upgrade' to Colin Joss & Co Pty Ltd T/A Joss Facility Management for the fixed lump sum price of \$1,588,898 (GST exclusive); and*
- 2. Delegates authority to the Chief Executive Officer to sign the Contract.*

Carried

BACKGROUND

In July 2021 Council entered into an agreement with the Commonwealth Government to secure \$1,992,000 in funding through the Black Summer Bushfire Recovery Program (BSBR) to provide upgrades to the Myrtleford Savoy Soccer Club.

EVALUATION

The tender for the detailed design and construction works was published on Tenders.net and Council's website on 7 June 2023 and advertised in the Herald Sun and Border Mail on Wednesday 14 June 2023. Five competitive responses were received.

The tender submissions received were conforming and evaluated in accordance with the key selection criteria listed in the Invitation to Tender:

1. Price
2. Qualifications and Previous Performance
3. Delivery
4. Social
5. Environmental

Following assessment of the tenders, it was determined that the tender from Colin Joss & Co Pty Ltd T/A Joss Facility best met all the requirements of the selection criteria.

ISSUES

The BSBR funding agreement cannot be extended beyond 31 March 2024. The project delivery plan that has been proposed by Colin Joss & Co Pty Ltd T/A Joss Facility Management will enable construction to be completed before this date.

The works are dependent on AusNet undertaking power upgrades to the site. These works have been factored into the project delivery plan.

POLICY IMPLICATIONS

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

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.5 Assets for our current and future needs

FINANCIAL AND RESOURCE IMPLICATIONS

The total budget for the project is \$1,992,000 and is entirely funded through the BSBR program. There is sufficient allocation within the project budget to complete the upgrade of the Myrtleford Savoy Soccer Club.

RISK MANAGEMENT

Key risks to the successful delivery of this project are:

Risk	Likelihood	Impact	Mitigation Action / Control
Cost escalation	Possible	Minor	<ul style="list-style-type: none"> • Quantity survey conducted of the bill of materials • Award a fixed fee lump sum contract • Ensure sufficient funding is available in the project budget
Construction delays	Possible	Moderate	<ul style="list-style-type: none"> • Project Management Plan • Appoint an experienced contractor

CONSULTATION

Extensive consultation with the Savoy Soccer Club has been undertaken to develop the design and plan the construction phase.

CONCLUSION

Following a comprehensive assessment, the Tender submission from Colin Joss & Co Pty Ltd T/A Joss Facility Management including subsequent Tender clarification, is considered to represent the best value for Council.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Engineering and Assets
- Project Officer

ATTACHMENT(S)

Nil

8.1.4 Porepunkah Transfer Station Upgrade

File Number: CT23028

INTRODUCTION

This report relates to the award of a contract for the Porepunkah Transfer Station upgrade retaining wall and concrete slabs.

Cr Hughes

Cr Janas

That Council:

1. *Awards Contract No. CT2302801 'Porepunkah Transfer Station Upgrade - Retaining Wall and Concrete Slabs' to Naubro Kerb Pty Ltd for the lump sum price of \$223,767 (GST exclusive); and*
2. *Delegates authority to the Chief Executive officer to sign the Contract.*

Carried

BACKGROUND

In 2022 Council was successful in obtaining grant funding under the Victorian Government's Transfer Station Upgrade Fund. This funding allowed rural and regional councils to improve processing of glass and organics from regional and rural households for recycling. The funding initiative was part of the broader reform of household recycling across Victoria, a component of Recycling Victoria – A New Economy.

Council received grant funding totalling \$335,630 for the installation of waste infrastructure across its three transfer stations. In June 2023 the installation of concrete slabs at Mount Beauty and Myrtleford Transfer Stations were completed and the design for the retaining wall and concrete slabs at Porepunkah Transfer Station was finalised for delivery in the 2023/2024 financial year, which incorporates the construction of a 16m pre-cast concrete panel retaining wall, concrete slabs and drainage.

EVALUATION

The Tender was advertised in the Herald Sun on 30 May 2023, as well as on Tenders.net and the Alpine Shire Council website.

A total of ten prospective tenders downloaded the document and seven submissions were received.

The tender submissions received were evaluated in accordance with the key selection criteria listed in the Invitation to Tender as follows:

1. Price
2. Qualifications and previous performance
3. Delivery

4. Social

5. Environmental Sustainability

Following assessment of the tenders, it was determined that the tender from Naubro Kerb Pty Ltd best met all the requirements of the selection criteria.

ISSUES

The construction of the retaining wall will need to be managed in conjunction with the landfill capping works that are currently underway to ensure that both projects are delivered as efficiently as possible.

POLICY IMPLICATIONS

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

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 3.3 Responsible management of waste

FINANCIAL AND RESOURCE IMPLICATIONS

The total budget for this project is \$223,767. There is sufficient allocation within the project budget to complete the construction of the retaining wall and concrete slabs at Porepukah Transfer Station.

RISK MANAGEMENT

Key risks to the successful delivery of this project are:

Risk	Likelihood	Impact	Mitigation Action / Control
Construction delays	Possible	Moderate	<ul style="list-style-type: none"> • Project Management of both projects by the same Project Officer.
Cost escalation	Possible	Minor	<ul style="list-style-type: none"> • Award a fixed fee lump sum contract • Ensure sufficient funding is available in the project budget

CONSULTATION

The Project Officer has engaged across Council's internal teams and communicated all aspects of the project to the Department of Energy, Environment and Climate Action (DEECA).

These works will be carried out as part of Porepunkah Landfill Capping works and Council does not anticipate there being significant impact to the community.

CONCLUSION

Following a tender evaluation assessment, site visits and reference checks, the tender from Naubro Kerb Pty Ltd is considered the best value option for Council.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Engineering and Assets
- Project Officer

ATTACHMENT(S)

Nil

8.1.5 Myrtleford Splashpark

File Number: CT23004

INTRODUCTION

This report relates to the award of a contract for the construction of the Myrtleford Splashpark.

Cr Nicholas

Cr Janas

That Council:

- 1. Awards Contract No. 2300401 for the "Myrtleford Splashpark" to Water Features by Design Pty Ltd for the lump sum price of \$1,720,628 (GST exclusive);*
- 2. Awards Contract No. 2300402 for the "Myrtleford Splashpark" to Water Features by Design Pty Ltd for a maximum price of \$405,020 (GST exclusive) for additional water treatment plant costs if required; and*
- 3. Delegates authority to the Chief Executive officer to sign the two Contracts.*

Carried

BACKGROUND

The Myrtleford Splashpark is a project wholly funded by the Federal Governments 'Black Summer Bushfire Recovery Program' (BSBR) for the construction of the waterplay park, toilets and shelters in Lewis Avenue, Myrtleford.

A detailed concept design was developed by the Myrtleford Chamber of Commerce in conjunction with design consultant Playscape Creations to provide a contemporary waterplay space with toilets, shelters and seating. The design is complementary to the creek side environment and retains the large established trees around the site.

The provision of the bore water supply to run the park, the soft landscaping, car parking and path improvements will be completed via separate contracts.

EVALUATION

The Tender was advertised in the Herald Sun on 1 February 2023, as well as on tenders.net and Alpine Shire Council websites.

The Tender documents were downloaded by 17 prospective tenderers and two responses were received by the closing date.

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

1. Price
2. Qualifications and previous performance
3. Delivery
4. Social

5. Environmental Sustainability

After the evaluation of the submitted offers, further investigations were carried out to determine ways to reduce the capital and operational costs. Using a bore water supply and simplifying some aspects of the original design were identified as cost saving measures and a revised tender was issued to the two shortlisted tenderers for re-pricing of the modified scope.

It was determined that the tender from Water Features by Design best met the selection criteria.

ISSUES

The design and tender process explored two water supply solutions:

1. traditional water recirculation and chemical treatment, and
2. single use of bore water through the splashpark. Bore water use will reduce capital and operating costs and provide Council with flexibility of splashpark operation times during water restrictions. Bore water use has proven very effective in the operation of a similar system at the Bright Splashpark.

To allow the project to proceed efficiently, the works have been tendered with the option to use the bore water supply or a fully recirculated and treated water supply. The construction of the bore is currently proceeding but will require to be successfully tested before its use can be incorporated into the works. The award recommendation includes a provisional allowance for the additional water treatment equipment that would be required if the bore proves unsuccessful. If this option is not required, the provisional sum would not be expended.

The Splashpark will be located on land that is subject to flooding. The park will be constructed in accordance with all relevant planning and building requirements in order to ensure it is resilient to flood events.

Operating and maintenance costs for the Splashpark will be included in the annual budget process from 2024/2025 financial year onwards.

POLICY IMPLICATIONS

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.5 Assets for our current and future needs

FINANCIAL AND RESOURCE IMPLICATIONS

The total available budget for the Myrtleford Splashpark is \$2,200,000, funded wholly by the Federal Government's 'Black Summer Bushfire Recovery Program'. There is sufficient allocation within the project budget to deliver the works of the project through award of this Contract.

RISK MANAGEMENT

Key risks to the successful delivery of this project are:

Risk	Likelihood	Impact	Mitigation Action / Control
Delayed installation	Possible	Moderate	<ul style="list-style-type: none"> Project Management Plan
Bore Water not accessible	Possible	Low	<ul style="list-style-type: none"> Contingency plan and budget for water treatment plant

CONSULTATION

The Project Officer has engaged across Council's internal teams and communicated all aspects of the project to the Myrtleford Chamber of Commerce.

CONCLUSION

Following a comprehensive assessment, the Tender from Water Features by Design is considered to present the best value option for Council.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Assets
- Project Officer

ATTACHMENT(S)

Nil

8.2 A/DIRECTOR CUSTOMER AND COMMUNITY – EBONY BUCKLEY

8.2.1 Approval in Principle - Financial Statements and Performance Statement

INTRODUCTION

The purpose of this report is to present the draft Financial Statements and Performance Statement for the year ended 30 June 2023 for review and seek approval in principle.

Cr Janas moved an alternative motion which was seconded by Cr Keeble.

That Council:

- 1. Approves in principle the Financial Statements and the Performance Statement for the year ended 30 June 2023, subject to any material amendment(s) required by the external auditors; be ratified by the Audit and Risk Committee Members.*
- 2. Authorises Cr Janas and Cr Keeble to certify the Financial Statements and Performance Statement for the year ended 30 June 2023 on behalf of Council, once any amendments or changes are made as requested by the Victorian Auditor General.*

Carried

BACKGROUND

Section 98 of the *Local Government Act 2020* requires Council to prepare an Annual Report for each financial year that contains a report on the operations of the Council, an audited performance statement and audited financial statements.

Section 99 of the *Local Government Act 2020* requires Council to pass a resolution giving its approval in principle to the draft Financial Statements and draft Performance Statement prior to submitting the statements to the auditor so that they may prepare their reports.

This report provides an overview of the results in Council's draft Financial Statements and draft Performance Statement which are provided in full as attachments 8.2.1.a and 8.2.1.b.

Once approval in principle has been provided and Council has incorporated any changes recommended or agreed by the auditor, the Financial Statements and Performance Statement must be certified by two Councillors authorised by Council prior to the auditors signing their report.

ISSUES

Financial Statements

The Financial Statements show Council's financial performance, financial position, and cash flows against the previous year.

In summary, Council ended the 2022/23 year with an operating surplus of \$7.002m, which was \$3.075m lower than the \$10.077m surplus in the 2021/2022.

The 2022/23 Annual Budget (the Budget) projected a surplus of \$5.502m, \$1.500m lower than the actual result.

The higher than budgeted result was primarily due to the increase in other revenue associated with interest on investments and rental returns on investment properties. Additionally, the entire 2023/24 Financial Assistance Grant was received in late June and is included in the 2022/23 results. In the prior year, only 75% of the 2022/23 Financial Assistance Grant was received in 2021/22.

The lower surplus result compared to the previous year is due to higher expenses for Landfill's \$1.166m, Employee costs \$0.458m and Material and Services \$1.105m.

The total comprehensive result for the 2022/23 Financial year is \$29.455m and includes an asset revaluation increment of \$22.453m comprised of predominantly increase in value of land.

1. Income

Altogether Council received \$40.832m in income which was \$3.967m favourable to the Budget projection of \$36.865m. Key variances to budget were as follows:

1.1 Grants - operating

Council received total operating grant income of \$9.478m which was \$5.324m favourable to budget (\$4.154m), primarily due to the receipt of 100% of the 2023/24 Federal Assistance Grants distributed by the Victorian Grants Commission.

1.2 Grants - capital

Council received total capital grant income of \$3.116m which was \$4.956m less than the budget of \$8.782. This was due to the receipt of funds from grants that have been deemed as unearned revenue - recognised in the balance sheet as an increase in current liabilities.

1.3 Other Incomes

Council received a total of other income of \$2.451m compared to a budget of \$0.868m, being \$1.583m higher. Interest on investments and rent were significantly higher than budget.

2. Expenses

Overall expenses were \$33.830m which was \$2.467m higher than Budget.

Significant expense variances included employee costs, which were lower at \$10.417m compared to a budget of \$11.233m, due to the impact of vacant positions throughout the year; and materials and services costs being \$15.343m against a budget of \$13.632m - this was mainly related to the expensing of the Bogong High Plains blackspot project as the road is to be handed to DEECA in 2023/24. This project was fully funding from a Department of Transport Grant. In addition, the Landfill Rehabilitation expense was significantly higher than budget because of additional provisions and an increase in the

discount factor used in provision calculations, being \$2.276 against a budget of \$0.078m. The Department of Treasury and Finance issues revised discount factors annually.

2.1 Depreciation

Depreciation was \$5.090m which was \$0.459m favourable to Budget and reflecting increase valuations on land and decreasing valuations on roads.

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.

An overview of movement in results is provided below:

- Utilisation of aquatic facilities was impacted by wet weather experienced in October - December 2022, resulting in fewer visits than the previous year.
- Community satisfaction with Council decisions declined compared to the previous year, reflecting a decline across the Local Government sector.
- Kerbside waste diverted from landfill remains steady compared to previous years. It is expected that with the introduction of a Food Organics Garden Organics service from 1 July 2023, that diversion will increase in 2023/24.

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

Audit progress

The Financial and Performance Statement are still being audited. Whilst the Victorian Auditor General can still make changes, any changes would be expected to be minor in nature.

POLICY IMPLICATIONS

Council has prepared draft Financial Statements and a draft Performance Statement for Council Approval in Principle, in line with the requirements Sections 98 and 99 of the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The authorised Councillors are required to certify the final Financial Statements and Performance Statement after any amendments or changes requested by the Victorian Auditor General have been made, and prior to adoption by Council.

In a change from previous requirements, section 100 of the *Local Government Act 2020* now requires the Mayor to report on the implementation of the Council Plan by presenting the Annual Report at a Council meeting open to the public, no later than 31 October 2023.

Council intends to present the Annual Report to the October Ordinary Council Meeting being the 31 October 2023. This has required draft Annual Financial and Performance

Statements to be presented to the Ordinary Council meeting of 26 September 2023. It is expected that clearance from the Victorian Auditor General's Office will be received between the September and October Ordinary Council Meetings.

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

FINANCIAL AND RESOURCE IMPLICATIONS

The draft Financial Statements and Performance Statement for the year ended 30 June 2023 show that Council is financially sustainable and that Council services are being delivered within expected parameters.

RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Inability to accurately plan and manage finances due to inaccurate financial data	Unlikely	Moderate	<ul style="list-style-type: none"> • Financial Plan • Annual Budget • Regular reporting • Year-end controls and reconciliations • Audit processes
Failure to address changes in accounting standards and legislation	Rare	Minor	<ul style="list-style-type: none"> • Liaison with auditors • Industry updates • Staff Continuing Professional Development

CONSULTATION

The Audit Committee Charter states that the Committee is required to review the Annual Financial Report and consider whether it is complete, consistent with information known to Audit Committee members and reflects appropriate accounting principles. At the time of submitting this paper the key contents of the Annual Financial Report, comprising the Financial Statements and Performance Statement, have been submitted to the Audit Committee for review.

CONCLUSION

Council ended the 2022/23 year with an operating surplus of \$7.002 million, which is greater than that predicted in the 2022/23 Annual Budget. The higher operating surplus result is largely attributed to the receipt of Federal Assistance Grants for 2023/24 received in advance in 2022/23 financial year and lower than expected employee costs due to the impact of vacant positions throughout the year together with a significant increase in Landfill Rehabilitation expense.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Acting Director Customer and Community
- Manager Corporate
- Financial Accountant
- Governance Officer

ATTACHMENT(S)

8.2.1.a 2022/23 Financial Statements (Draft)

8.2.1.b 2022/23 Performance Statement (Draft)

8.2.2 Audit & Risk Committee Member Remuneration

INTRODUCTION

The purpose of the report is to request Council to increase the remuneration of independent members sitting fee as part of the Alpine Shire Audit & Risk Committee.

An audit committee provides a specialist forum to support and monitor Council in the areas of governance, risk management, external audit, internal audit, financial reporting, and other related areas.

Cr Nicholas

Cr Hughes

That Council:

1. *Sets the Independent Audit & Risk Committee Member remuneration from 1 July 2023 at:*
 - a. *\$570 per meeting for the Chair;*
 - b. *\$465 per meeting for independent members*
2. *Undertakes annual increases from 1 July each year equivalent to the Essential Services Rate Cap for that Financial Year rounding up to the nearest five-dollar increment;*
3. *Sets an upper limit for reimbursement of travel expenses at \$300 per member per year with no annual indexation applying to this allowance;*
4. *Implements a review of the Audit and Risk Committee entitlements in three years; and*
5. *Amends the Audit & Risk Committee Charter to be aligned with these recommendations and conducts a full review of the Charter in 2024/25 financial year.*

Carried

BACKGROUND

The primary purpose of the Audit and Risk Committee is to provide Council with oversight and guidance in effective conduct of its responsibilities for:

- Financial management and reporting
- Management of financial and other strategic risks
- Practical business continuity and disaster recovery plans and processes
- Maintaining a reliable and effective system of internal controls
- Governance and compliance with laws and regulations
- Facilitating the organisation's ethical development

Local Government Victoria's Audit Committees: A Guide to Good Practice Guide for Local Government, January 2011 states that the remuneration for independent members "should reflect the time, commitment and responsibility involved".

Council's Audit and Risk Committee has five independent remunerated members, one being the Chair. Members have a diverse range of business backgrounds and bring their

expertise to the Committee reviewing agenda papers prior to meetings, meeting with the external auditor and attending Committee meetings five times per year.

ISSUES

The base value of member remuneration was set in 2019. There has been no increase in the base remuneration apart from annual CPI increases since the 2019 review. The Audit Committee Charter established a mechanism for annual CPI increases, commenced on 1 July 2019.

The Audit Committee, at a recent meeting, requested that members’ remuneration be reviewed and benchmarked.

A review and benchmarking exercise against other rural and regional councils in the region established a broad spread in the amount of remuneration being paid to Chair and independent members, however noted that Council's remuneration to committee members has fallen behind the average of its equivalent counterparts.

Based on the benchmarking which has been carried out it is recommended that remuneration for the Chair and independent members be set as follows:

	Alpine: Current	Alpine: Proposed
Chair	\$460.00	\$570.00
Member	\$355.00	\$465.00

It is recommended that the rates be increased annually on 1 July in line with the rate cap set by the Essential Services Commission for the relevant financial year, rounded up to the nearest five-dollar increment.

It is recommended that Council sets an annual upper claim limit of \$300 per Audit and Risk Committee independent member to reimburse members for travel and/or accommodation costs incurred in attending Committee meetings, with expense claims to be endorsed by the CEO prior to reimbursement. Indexation is not applied to this component of the entitlements.

In line with recommendations above, it is recommended that a review occur of entitlements occurs every three years to ensure Council is remaining in line with other councils.

POLICY IMPLICATIONS

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

FINANCIAL AND RESOURCE IMPLICATIONS

On the current member remuneration rates per meeting of \$460 for the Chair and \$355 for each member, the cost to Council is \$1,525 per meeting at a total of \$7,625 per year (based on 5 meetings held per year).

The recommended remuneration increase will bring the cost to Council to \$1,965 per meeting at a total of \$9,825 per year (based on five (5) meetings held each year), plus annual increases aligned with Essential Services Rate cap.

The impact of the Travel and Accommodation allowance for the full 2023/24 year is a maximum of \$1,200 if each member claims their full entitlement - this is unbudgeted in the 2023/24 financial year.

The total increase for 2023/24 based on a 1 July 2023 implementation of the proposed entitlements is \$3,400.

RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Ability to attract and retain suitably qualified members	Possible	Moderate	<ul style="list-style-type: none"> Increase the independent sitting fee remuneration to ensure Council has the ability to attract and retain good candidates, with a good business skillset and Council remains competitive within the market for external members.

CONSULTATION

The Audit and Risk Committee has been briefed on the findings of the review and the recommendations contained in this report.

CONCLUSION

A desktop review and benchmarking of the remuneration of Council's Audit and Risk Committee members has been conducted and it is recommended that members remuneration be increased to be comparative with the average for rural councils in the Hume region. The Chair and Members remuneration should be subject to annual ESC rate increases and rounding effective annually on 1 July each year.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- A/Director Customer and Community
- Manager Corporate

ATTACHMENT(S)

Nil

8.2.3 Instruments of Appointment and Authorisation - *Planning and Environment Act 1987*

File Number: Delegations register

INTRODUCTION

Instruments of appointment and authorisation are an important means of Council ensuring that its officers are appropriately authorised under the relevant Acts that Council administers.

Cr Nicholas

Cr Hughes

That Council exercise the powers conferred by section 147(4) of the Planning and Environment Act 1987, so that:

1. *The following members of Council staff referred to in attachment 8.2.3. "S11A – Instrument of Appointment and Authorisation – Planning & Environment Act 1987" (the instrument) be appointed and authorised as set out in the instrument;*
 - a. *Manager Growth and Future*
2. *The instrument comes into force immediately the common seal of Council is affixed to the instrument;*
3. *The instrument be signed and sealed at the appropriate stage of this meeting.*
4. *On the coming into force of the instrument, the previous "S11A – Instrument of Appointment and Authorisation – Planning and Environment Act 1987" for the following member of Council staff, as dated, be revoked;*
 - a. *Compliance Coordinator (CPC2), dated 30 May 2023*

Carried

BACKGROUND

Council staff involved in planning roles require current and accurate authorisations to fulfil their duties. Council has appointed a new Manager Growth and Future, who requires authorisation under the *Planning and Environment Act 1987*. The Instrument for the Compliance Coordinator (CPC2 dated 30 May 2023) is being revoked as the officer no longer works for Council.

ISSUES

Authorised Officers

Authorised officers have statutory powers under relevant legislation. In the case of Council's staff in the Planning department, the attached Instruments of Appointment and Authorisation under the *Planning and Environment Act 1987* mean that they are authorised officers for the purposes of that Act.

While Council may delegate its powers, duties or functions to staff, so that a delegate acts on behalf of the Council, staff appointed as authorised officers have their own statutory powers under the relevant Act.

Planning and Environment Act 1987

Section 188(1)(b) of the *Planning and Environment Act 1987* specifies that “a planning authority ... may by instrument delegate any of its powers, discretions or functions under this Act to an officer of the authority”. However, Section 188(2)(c) specifically prevents an officer from further sub-delegating any duty, function or power. Therefore, as the responsible authority, Council must authorise staff directly using the “S11A – Instrument of Appointment and Authorisation – Planning and Environment Act 1987”, rather than via the Chief Executive Officer.

Maddocks Delegations and Authorisations Service

Council utilises the delegations and authorisations service provided by law firm Maddocks. This is a template system used by many councils and provides a detailed way of ensuring that appropriate delegations and authorisations are given to Council staff. All of the relevant legislation affecting local government, including Acts and regulations and the sections that relate to the powers, duties and functions of Council are outlined within the template and the relevant officer is allocated accordingly.

POLICY IMPLICATIONS

Ensuring authorisations are kept up to date ensures that Council's planning staff can undertake their statutory roles.

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

FINANCIAL AND RESOURCE IMPLICATIONS

Council has an annual subscription to the Maddocks delegation and authorisation service that is provided for in Council's annual budget. There are no other financial implications associated with these instruments of appointment and authorisation.

Appropriate authorisations allow Council and Council staff to operate effectively and within legislative frameworks.

RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Authorisations are not in place or are out of date	Possible	Moderate	<ul style="list-style-type: none"> Ensure that all Council officers have up-to-date authorisations to ensure that they can undertake their duties.

CONSULTATION

The relevant staff and Director have been consulted during the preparation of the IoAAs. There is no requirement to consult the community in the preparation of these instruments.

CONCLUSION

The appropriate appointment of authorised officers to enforce the *Planning and Environment Act 1987* is required to ensure that Council officers can undertake their statutory roles.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Acting Director Customer and Community
- Manager Corporate
- Governance Officer

ATTACHMENT(S)

8.2.3 S11A – Instrument of Appointment and Authorisation – *Planning & Environment Act 1987* – Manager Growth and Future

9. Informal meetings of Councillors

Introduction

In accordance with Chapter 8, section A1 of Council's Governance Rules, if there is a meeting of Councillors that:

- is scheduled or planned for the purpose of discussing the business of Council or briefing Councillors;
- is attended by at least one member of Council staff; and
- is not a Council meeting, Delegated Committee meeting, or Community Asset Committee meeting.

-

The Chief Executive Officer must ensure that a summary of the matters discussed at the meeting are tabled at the next convenient Council meeting and are recorded in the minutes of that Council meeting.

Cr Janas

Cr Nicholas

That the summary of informal meetings of Councillors for August / September 2023 be received.

Carried

Background

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

Date	Meeting
29 August	Briefing Session
19 September	Briefing Session

Attachment(s)

- 9.0 Informal meetings of Councillors – August / September 2023

10. Presentation of reports by delegates

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au; for its YouTube live-streaming recording for responses to presentation of reports by delegates.

11. 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.

12. Motions for which notice has previously been given

Nil

13. Reception and reading of petitions

Nil

14. Documents for sealing

Cr Nicholas

Cr Hughes

That the following documents be signed and sealed.

- 1. S11A - Instrument of Appointment and Authorisation - Planning & Environment Act 1987 - Manager Growth and Future.*

Carried

There being no further business the Chairperson declared the meeting closed at 6:37p.m.

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Chairperson