



**Southern Grampians**  
SHIRE COUNCIL

# Council Meeting Minutes

Ordinary Meeting  
13 February 2019

Held at 5.30pm in the Council  
Chambers at 5 Market Place, Hamilton

## TABLE OF CONTENTS

1	Present .....	3
2	Acknowledgement of Country .....	3
3	Prayer .....	3
4	Apologies .....	3
5	Confirmation of Minutes .....	4
6	Declaration of Interest .....	4
7	Questions on Notice .....	5
8	Public Deputations .....	6
9	Records of Assemblies of Councillors .....	7
10	Management Reports .....	13
10.1	Balmoral & District Swimming Pool Section 86 Committee .....	13
10.2	Standard Statements for 2018/19 Financial Year as at 31 December 2018 & 31 January 2019 .....	15
10.3	Annual Plan Quarterly Report .....	18
10.4	Public Submission to the Recreation and Leisure Strategic Plan .....	20
10.5	Amendment S51SGRA and Planning Permit TP/32/2018 – recommendation of adoption of amendment .....	26
10.6	Review of 2018-2019 Capital Works Report .....	29
10.7	2018 Bin audits and FOGO (Food Organics Garden Organics) project .....	33
10.8	Supply and Delivery of One (1) Grader .....	38
10.9	Supply and Delivery of One (1) Road Maintenance Unit .....	41
10.10	Take 2 Carbon Emissions Reduction Pledge Program .....	44
10.11	56-18 Hamilton Gateway Business Park .....	51
10.12	Bioenergy Industrial Development Feasibility .....	56
11	Notices of Motion .....	61
12	Delegated Reports .....	62
13	Mayors and Councillors Reports .....	63
14	Confidential Matters .....	64
14.1	Waste Service – Offsite Disposal Options .....	64
15	Close of Meeting .....	65

## 1 Present

### **Councillors**

Cr Mary-Ann Brown – Mayor  
Cr Chris Sharples – Deputy Mayor  
Cr Cathy Armstrong  
Cr Albert Calvano  
Cr Colin Dunkley  
Cr Greg McAdam  
Cr Katrina Rainsford

### **Officers**

Mr Michael Tudball – Chief Executive Officer  
Ms Evelyn Arnold – Director Community and Corporate Services  
Mr Andrew Goodsell – Director Planning and Development  
Mr David Moloney – Director Shire Infrastructure  
Ms Karly Saunders – Governance Coordinator

## 2 Acknowledgement of Country

The Mayor, Cr Brown, read the acknowledgement of country –

*“Our meeting is being held on the traditional lands of the Gunditjmarra, Tjap Wurrung and Bunganditj people.*

*I would like to pay my respects to their Elders, past and present, and the Elders from other communities who may be here today.*

## 3 Prayer

Cr Sharples let the meeting in a prayer.

## 4 Apologies

None

## 5 Confirmation of Minutes

<b>RECOMMENDATION</b>
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That the Minutes of the Ordinary Meeting of Council held on 12 December 2018 be confirmed as a correct record of business transacted.

<b>COUNCIL RESOLUTION</b>
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**MOVED:** Cr Calvano  
**SECONDED:** Cr McAdam

**That the Minutes of the Ordinary Meeting of Council held on 12 December 2018 be confirmed as a correct record of business transacted.**

**CARRIED**

## 6 Declaration of Interest

None declared.

## 7 Questions on Notice

Questions from the public must be submitted prior to the commencement of Council Meetings.

All questions must be submitted through completion of the Public Question Time form, and be forwarded to the Chief Executive Officer at 111 Brown Street, Hamilton. All questions must be received by no later than 5pm on the Monday before the Ordinary Meeting of Council.

Questions must:

1. Not pre-empt debate on any matter listed on the agenda of the Ordinary Meeting at which the question is asked
2. Not refer to matters designated as confidential under the Local Government Act 1989.
3. Be clear and unambiguous and not contain argument on the subject.
4. Not be derogatory, defamatory or embarrassing to any Councillor, member of staff, ratepayer or member of the public, nor relate to a matter beyond the power of Council.

If the member of the public is in attendance at the Council Meeting the Mayor will read the question aloud and provide a response. If a question cannot be answered at the meeting, a written response will be prepared and forwarded to the person raising the question.

Residents do not need to attend the meeting for a question to be answered. If they do not attend the meeting a written response will be provided.

There were no Questions on Notice listed on tonight's agenda.

## 8 Public Deputations

Requests to make a Public Deputation to Council must be submitted prior to the commencement of the Council Meeting.

Anyone wishing to make a deputation to Council must complete the Request to Make a Deputation form and forward it to the Chief Executive Officer at 111 Brown Street, Hamilton no later than **2 days before the Ordinary Council Meeting**.

Speaking time is limited to 3 minutes per person. Organisations may be represented at the deputation to Council by not more than 4 representatives. The names of the representatives to attend must be advised in writing to the Chief Executive Officer and 1 of the representatives to attend must be nominated as the principal spokesperson for the deputation.

Deputations wishing to make a written submission to the Council must provide 15 copies of the submission to the Chief Executive Officer prior to the Ordinary Council Meeting. One copy will be made available to the local media representative, if requested.

All members of the public addressing the Council must extend due courtesy and respect to the Council and the processes under which it operates. If a member of the public fails to do this the Chairperson can remove them from the Chambers. All members of the public must also comply with Council's Public Participation at Council Meetings policy in relation to meeting procedures and public participation at meetings.

There were no Public Deputations listed on tonight's agenda.

## 9 Records of Assemblies of Councillors

Written records of Assemblies of Councillors must be kept and include the names all Councillors and members of Council staff attending the meeting, the matters considered, any conflicts of interest declared and when the person/s with a conflict left and returned to the meeting.

Pursuant to section 80A (2) of the Act, these records must be, as soon as practicable, reported at an ordinary meeting of the Council and incorporated in the minutes of that meeting.

Section 3 of the Local Government Act 1989 defines as Assembly of Councillors as:

1. A meeting of an advisory committee of the Council, if at least one Councillor is present; or
2. A planned or scheduled meeting of at least half of the Councillors and one member of Council staff;

which considers matters that are intended or likely to be:

- a) The subject of a decision of the Council; or
- b) Subject to the exercise of a function, duty or power of the Council that has been delegated to a person or committee.

As there are some meetings which may or may not be classed as an Assembly of Councillors depending on who is present and the topics that are discussed Southern Grampians Shire Council records these meetings as an Assembly of Councillors to ensure that transparency in relation to these meetings is publicised.

An Assembly of Councillors record was kept for:

- Briefing Session – 12 December 2018
- Briefing Session – 30 January 2019

This agenda was prepared on 6 February 2019. Any Assemblies of Councillors between that date and the date of tonight's Meeting will appear in the agenda for the next Ordinary Meeting of Council.

**RECOMMENDATION**

That the record of the Assembly of Councillors be noted and incorporated in the Minutes of this Meeting.

**COUNCIL RESOLUTION**

**MOVED:** Cr McAdam  
**SECONDED:** Cr Dunkley

**That the record of the Assembly of Councillors be noted and incorporated in the Minutes of this Meeting.**

**CARRIED**



# ASSEMBLY OF COUNCILLORS



Southern Grampians  
Shire Council

ASSEMBLY DETAILS	
<b>Title:</b>	Council Briefing Session
<b>Date:</b>	12 December 2018
<b>Location:</b>	MJ Hynes Auditorium
<b>Councillors in Attendance:</b>	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Cathy Armstrong - arrived at 2:00pm Cr Albert Calvano Cr Colin Dunkley Cr Greg McAdam Cr Katrina Rainsford
<b>Council Staff in Attendance:</b>	Michael Tudball, Chief Executive Officer Evelyn Arnold, Director Community and Corporate Services David Moloney, Director Shire Infrastructure Andrew Goodsell, Director Planning and Development Susannah Milne, Manager Community and Leisure Services Melanie Starr, Manager Recreation Hugh Koch, Manager Economic Development and Tourism Daryl Adamson, Strategic Major Projects Officer

The Assembly commenced at 1:00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
<b>1</b>	51-18 Hamilton Landfill Rehabilitation Capping Works Stages 5 and 6	Nil
<b>2</b>	Hamilton Gateway Project	Nil
<b>3</b>	Dunkeld Visitor Hub and Grampians Peak Trail	Nil
<b>4</b>	HILAC Services Review	Nil

<b>5</b>	Great South Coast Regional AFL Cricket and Netball Strategy	Nil
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The Assembly concluded at 5:00pm

## ASSEMBLY OF COUNCILLORS



Southern Grampians  
Shire Council

ASSEMBLY DETAILS	
<b>Title:</b>	Council Briefing Session
<b>Date:</b>	30 January 2019
<b>Location:</b>	MJ Hynes Auditorium
<b>Councillors in Attendance:</b>	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor – arrived at 12:15pm Cr Cathy Armstrong – arrived at 3:00pm Cr Albert Calvano Cr Colin Dunkley Cr Greg McAdam Cr Katrina Rainsford
<b>Council Staff in Attendance:</b>	Michael Tudball, Chief Executive Officer Evelyn Arnold, Director Community and Corporate Services David Moloney, Director Shire Infrastructure Andrew Goodsell, Director Planning and Development Kylie McIntyre, Sustainability Coordinator Susannah Milne, Manager Community and Leisure Services Melanie Starr, Manager Recreation Rhassel Mhasho, Manager Planning and Regulatory Services

The Assembly commenced at 12:00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
<b>1</b>	Bioenergy Feasibility Study	Nil
<b>2</b>	Annual Plan Quarterly Report	Nil
<b>3</b>	Bin Audits/FOGO Project/ Waste Strategy Draft	Nil

<b>4</b>	Recreation Strategy and Masterplans Submissions and Lake Hamilton Projects	Nil
<b>5</b>	Balmoral and District Swimming Pool Committee – Sect 86 to MOU	Nil
<b>6</b>	Planning Scheme Amendment C51 SGRA – 9 Lot Subdivision TP/32/3018	Nil
<b>7</b>	Bulk Haulage and Disposal Waste	Nil
<b>8</b>	Capital Works	Nil
<b>9</b>	Commensura	Nil
<b>10</b>	Ansett Museum	Nil
<b>11</b>	Hamilton Gateway Industrial Park	Nil
<b>12</b>	Tender Evaluation – Road Maintenance Unit	Nil
<b>13</b>	Tender Evaluation - Grader	Nil

The Assembly concluded at 5:00pm

## 10 Management Reports

### 10.1 Balmoral & District Swimming Pool Section 86 Committee

**Directorate:** Michael Tudball, Chief Executive Officer  
**Author:** Darren Barber, Manager Organisational Development  
**Attachments:** 1. Balmoral & District Swimming Pool Section 86 Committee Delegation

#### Executive Summary

A review is currently being conducted of all Council's section 86 Committees. This review is being undertaken in anticipation of the changes to the Local Government Act which will move away from section 86 Committees for recreation reserves and facilities. The review is looking at moving the committees away from the formal section 86 Delegations to other types of Agreements such as Memorandums of Understanding (MOU's).

A review has been undertaken of the Balmoral & District Swimming Pool Committee and a MOU developed for the management, supervision and operation of the Pool and it is recommended that the Section 86 Delegation for this Committee be revoked.

#### Discussion

The State Government is currently undertaking a review of the Local Government Act and has proposed a new Bill. This new Bill would see the governance around committees which manage halls and reserves change from the onerous section 86 Committee requirements, to less formal agreements. In anticipation of these changes a review is currently being undertaken of all Council's Section 86 Committees.

Current meetings are required to be open to the public, public notice of meetings must be given, detailed minutes must be kept and available for public inspection, and members must disclose a conflict of interest and leave the meeting when the matter is considered. Committees are also required to provide Council with their financial documents on an annual basis.

Discussions have taken place with the Balmoral and District Swimming Pool Committee about moving away from formal Delegations under the Act, to a less onerous Agreement, such as an MOU. The Committee is comfortable with this change and supports the recommendation to revoke the s86 Committee Delegation.

#### Financial and Resource Implications

Special Committees are appointed to manage local facilities. The involvement of the local community in the operation of such facilities often assists in ensuring that community requirements and expectations are met and can enhance the social aspects that such facilities represent.

Each of the Committees collects its own revenue which it utilises for operational activities. The amounts are nominal and the financial statements for each are audited and form part of Council's financial statements. Council staff provide assistance in this process. Requirements of a capital nature are reference to Council's budget process.

## **Legislation, Council Plan and Policy Impacts**

Section 86 of the Act provides Council with the ability to appoint Special Committees for a variety of purposes and to delegate its functions, duties or powers to those Committees.

Council Plan Theme 1 – Support Our Community  
Objective 1.2 – A healthy and vibrant community  
Council Plan Theme 5 – Provide Governance and Leadership  
Objective 5.1 – Provide transparent and responsible governance

## **Risk Management**

Organisational risk implications are the potential for persons who may be interested in becoming audit or special committee members being discouraged from applying because their personal financial details are divulged.

## **Environmental and Sustainability Considerations**

Not applicable.

## **Community Consultation and Communication**

The formation of a Special Committee is itself a process of community engagement as is the ongoing relationship and liaison with the Committee. Committees often include representation from the various user groups associated with facilities and provide a means of direct involvement in the operation of community facilities.

## **Disclosure of Interests**

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

### **RECOMMENDATION**

That the Instrument of Delegation for the Balmoral and District Swimming Pool Committee be revoked.

### **COUNCIL RESOLUTION**

**MOVED:** Cr Dunkley  
**SECONDED:** Cr Rainsford

**That the Instrument of Delegation for the Balmoral and District Swimming Pool Committee be revoked and a Memorandum of Understanding be put in place.**

**CARRIED**

## 10.2 Standard Statements for 2018/19 Financial Year as at 31 December 2018 & 31 January 2019

**Directorate:** Evelyn Arnold, Director Community and Corporate Services  
**Author:** Belinda Johnson, Manager Finance  
**Attachments:** 2. Standard Statements – 31 December 2018  
3. Standard Statements – 31 January 2018

### Executive Summary

The Financial Reports for the period 1 July 2018 to 31 December 2018 and 31 January 2019 (copies attached) have been prepared to provide information regarding Council's current financial position.

The reports include an Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Capital Work and Statement of Human Resources. A narrative has also been prepared to explain variances between 2018/19 Budget, 2018/19 Forecast and actual performance.

### Discussion

The financial report includes an Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Capital Work and Statement of Human Resources. A detailed narrative has also been prepared to explain variances between 2018/19 Budget, 2018/19 Forecast and actual performance.

#### Income Statement (Operating Statement)

Council is anticipating an operating surplus for the 2018/19 financial year. Actual Income and Expenditure YTD at the end of January is a net surplus of \$11.130m compared to Council's budgeted result of a \$13.839m and the current forecast of a \$21.989m operating surplus.

#### Balance Sheet

Current assets are strong at this point of the year with high levels of cash due to over 75% of rate revenue having been received together with retained cash from prepayment of grants and incomplete capital works expenditure. Liabilities are at expected levels for the time of year.

#### Statement of Cash flows

Cash balances are strong with \$24.299m of cash and investments held at the end of January. This means all commitments can be met with cash, as and when required. Even with the carry forward of capital works and some unexpected expenses, Council is still forecasting a strong end of year cash position of \$13.118m to meet future years commitments.

#### Statement of Capital Works

Council budgeted \$32.946m of capital works. This is a large increase on previous years to the amount of Capital works budgeted for Flood Recovery projects, Major capital developments and the final year of Roads to Recovery program spending.

The current forecast (after taking into consideration incomplete works from the 2017/18 year) is now \$41.969m.

Whilst only \$10.229m of actual expenditure has occurred (24% of the Forecast amount), planned works in the coming months together with payment claims for works completed are expected to be significant.

#### Statement of Human Resources

The breakup between operating and capital salaries is variable for a large proportion of Council's workforce (Infrastructure Services in particular). Capital Expenditure is seasonal due the majority of works occurring during the construction season. Overall spend was at 58% of the budget which is appropriate for the end of January.

### **Legislation, Council Plan and Policy Impacts**

#### Council Plan

The financial report provides interim information on the financial progress of the achievement of the Annual Budget. Financial sustainability and compliance with our annual budget are specifically identified as strategies within the Council Plan.

#### Legislation

Section 138 of the Local Government Act 1989 requires that at least every three months, the CEO must ensure that a statement comparing the budgeted and actual revenue and expenditure for the financial year is presented to the Council at a Council meeting which is open to the public.

Financial reports are generally prepared following the month ends of September, December, January, February, March, April & May. The June report forms part of Council's Annual Report.

Council is also required to implement the principles of sound financial management detailed in Section 136 of the Local Government Act 1989 which states:

- 1) A Council must implement the principles of sound financial management.
- 2) The principles of sound financial management are that a Council must-
  - (a) manage financial risks faced by the Council prudently, having regard to economic circumstances;
  - (b) pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;
  - (c) ensure that decisions are made and actions are taken having regard to their financial effects on future generations;
  - (d) ensure full, accurate and timely disclosure of financial information relating to the Council.
- 3) The risks referred to in subsection (2)(a) include risks relating to-
  - (a) the level of Council debt;
  - (b) the commercial or entrepreneurial activities of the Council;
  - (c) the management and maintenance of assets;
  - (d) the management of current and future liabilities;
  - (e) changes in the structure of the rates and charges base.

### **Disclosure of Interests**



All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

**RECOMMENDATION**

That the interim financial reports for the periods 1 July 2018 to 31 December 2018 and 31 January 2019, be received.

**COUNCIL RESOLUTION**

**MOVED:** Cr Sharples  
**SECONDED:** Cr McAdam

**That the interim financial reports for the periods 1 July 2018 to 31 December 2018 and 31 January 2019, be received.**

**CARRIED**

## 10.3 Annual Plan Quarterly Report

**Directorate:** Evelyn Arnold, Director Community and Corporate Services  
**Author:** Darren Barber, Manager Organisational Development  
**Attachments:** 4. Action and Task Progress Report

### Executive Summary

The Action and Task Progress Report for the period 1 October 2018 to 31 December 2018 has been prepared to provide information regarding the performance of the organisation against the Annual Plan.

### Discussion

The Annual Plan is developed each year to assist in the delivery of the Council Plan objectives and to demonstrate to the community the key projects to be delivered that year. The Annual Plan sets out the specific actions and includes a detailed list of Council's activities and initiatives for the upcoming financial year. These initiatives are projects that are undertaken over and above normal service delivery and are intended to attain important outcomes for Council and the community.

Reports on the progress of the Annual Plan are reported to Council quarterly. This allows Council to receive timely, relevant and measurable information about how the organisation is performing. This in turn allows Council an opportunity to raise concerns about performance in a timely manner. The Annual Plan reporting will also help formulate the Annual Report and support the reporting against the Council Plan each year.

There are currently 76 actions from the Annual Plan and Council Plan. Of these 76 actions:

- 62 actions (82%) are on track - at least 90% of the target achieved;
- 12 actions (16%) require monitoring –between 70% and 90% of the target achieved;
- 2 actions (3%) are off track – less than 70% of target achieved; and
- 0 actions (0%) have no target set

Details about the specific performance of the Annual Plan actions is detailed in the attached Action and Task Progress Report.

### Legislation, Council Plan and Policy Impacts

Council is required to adopt a Council Plan in accordance with section 125 of the Local Government Act 1989. This Plan is supported by the development of an Annual Plan which details the actions that will be undertaken to achieve the strategic objectives in the Council Plan.

Reporting on the Annual Plan is to be presented to Council quarterly so that Council can regularly monitor the performance of the organisation.

### Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

**RECOMMENDATION**

That the Action and Task Progress Report for 1 October 2018 to 31 December 2018 be received.

**COUNCIL RESOLUTION**

**MOVED:** Cr Dunkley  
**SECONDED:** Cr Armstrong

**That the Action and Task Progress Report for 1 October 2018 to 31 December 2018 be received.**

**CARRIED**

## 10.4 Public Submission to the Recreation and Leisure Strategic Plan

**Directorate:** Evelyn Arnold, Director Community and Corporate Services  
**Author:** Susannah Milne, Manager Community & Leisure Services  
**Attachments:** 5. SGSC Recreation and Leisure Strategic Plan Submissions Executive Summary

The purpose of this report is to:

1. Present to Council the submissions received from the public exhibition process for the Recreation and Leisure Strategic Plan and Masterplans for Lake Hamilton and Pedrina Park.
2. To allow for the Project Control Group's assessment and recommendations based on the submissions to be provided for Council for information.
3. To brief Council on identified priorities for allocation of the \$125,000 18/19 budget for Lake Hamilton to seek confirmation of expenditure preference.

The draft Recreation and Strategic Plan and Masterplans were placed on public display from the 15 November 2018 to the 7 January 2019, for the community to review the content and ensure that the consultation process has captured all points of their feedback.

28 formal written submission were received, 14 individual submission, 9 club/association submissions, 1 Councillor, 3 Stakeholders and 1 School. The Project Control Group has read and discussed submissions received and as a result would recommend that amendments be made to the Plan and Masterplans if supported by Council.

Submitters have been given the opportunity to address Council and speak to their submission as a part of the consultation process, to which 13 submitters have.

This report recommends that Council formally receive and acknowledge the submissions made and seeks Council direction of identified priorities from the Lake Hamilton Masterplan to compete works for 18/19 allocation of \$125,000.

### Discussion

The Southern Grampians Shire Council (SGSC) has developed a 10- year Recreation and Leisure Strategic Plan to guide community and Council in the planning, development, provision and promotion of sport, recreation and leisure facilities, programs and services. The plan directly aligns with the current and future Southern Grampians Health and Wellbeing Plan.

A strong focus of the direction of the Strategic Plan is that the strategies and recommendations are based on extensive consultation with the Southern Grampians community and key stakeholders. The consultation highlighted what we do well, the issues and gaps in existing facilities, programs and services and guided the development of the strategic framework.

The draft Recreation and Strategic Plan and Masterplans were placed on public display from the 15 November 2018 to the 7 January 2019, for the community to review the content and ensure that the consultation process has captured all points of their feedback. The Plan and Masterplan were displayed on Council's website and within all Council Offices, Library, HILAC, Mobile Library and all Local Post Offices. The community, stakeholders, clubs and sporting groups were regularly reminded of their ability to review and make submission

through social media posts, advertisement in the local paper and direct emails. A meeting with Hockey and Soccer representatives was also conducted on the 10 December to present the content of the strategy and proposed Masterplan for Pedrina Park.

From the 6 week public exhibition process 28 formal written submission were received, 14 individual submission, 9 club/association submissions, 1 Councillor, 3 Stakeholders and 1 School. Of those submissions 7 referenced the general content of the Plan, 12 referenced the Lake Hamilton Master Plan and 19 referenced the Pedrina Park Masterplan. Submissions have been collated and summarised by officers (attachment).

The Project Control Group (PCG) has reviewed the submissions for content, consequence, industry and funding guidelines and relevance to the Plan and Masterplans. Based on this review the PCG has provided suggested recommendations based upon their review to Council for their consideration.

In summary the PCG recommended amendments based on submissions received for Council consideration are:

- That a Cycling and Active Transport be developed to support linkages and improvements to walking and cycling paths throughout the Shire.
- Include Konongwootong Reservoir as a recreation facility within Plan.
- Included the proposed extension to the Lake Hamilton walking track 400m to accommodate park run and encourage walking and bike riding around the Lake Edge playground area.
- Relocate the proposed social area near the rowing pavilion at Lake Hamilton to avoid impacting access and egress to the boat shed.
- Include the investigation of extending the rowing course as an action within the Masterplan.
- That the Lake Masterplan identify the approximate location of the future Art Gallery.
- That the Ansett Pavilion redevelopment at Pedrina Park be redesigned to respond to submissions to ensure sheltered viewing of hockey, netball and ovals and increase community space.
- Pedrina Park - revise location of athletics jumps to allow for future Soccer and Multiuse Community pavilion community/user pavilion to be developed and extended in future as required demand and growth increase.
- Revise parking and vehicle access to Soccer and Multiuse Community pavilion (item 13) to allow greater access.
- Create more pathways and pedestrian access linking pavilions, sheltered viewing and provide potential walking/running track around Pedrina Park.

A copy of all submissions and summary – SCGC Recreation and Leisure Strategic Plan Submissions have been provided to Council for their information. Submitters have been given the opportunity to address Council and speak to their submission as a part of the consultation process, to which 13 submitters expressed their wish to, this has been facilitated through a briefing meeting on the 13 February 2019.

The submission process has reinforced that for our Community, that Lake Hamilton and Pedrina Park are priority facilities. That they concluded that infrastructure at these facilities are requiring improvement to cater for female/children friendly, improve playing surfaces and opportunity to attract and retain participants. Equally investment in pathways and linkages create greater opportunities for our community to remain active and improve their wellbeing.

Within the 2018/19 budget Council allocated \$125,000 for investment at Lake Hamilton in recognition of its significance and importance to Community and Visitors, with the completion

of the consultation and draft Masterplan priorities have been identified for the allocation of the money to the following projects:

1. Additional concreting at Lakes Edge playground to remove a trip hazard to people walking/running around the lake as well as Lakes Edge Playground users. This removes a trip hazard and improves safety.
2. Walking track improvements and re-sheeting to improve track surface and drainage and ensure that trip hazards are removed.
3. Design and construction of a Dog Park which provides a safe space for dogs to be exercised at the Lake without impacting on fauna and flora. This responds to commitment within a Notice of Motion from Council as well as amenity and safety concerns.

### **Next steps**

- February – March 2019 Amendments be made to plan and Masterplans based of the outcomes of Council's directions in relation to the public exhibition process.
- 13 March 2019 – Report to Council to formally adopt Strategy and Masterplans
- March 2019 – Officers advised submitters of Council's response to submission process.
- March/April – Council to identify priorities of Strategy and Masterplan for 19/20 budget.
- February 2019 – Commencement of Lake Hamilton priorities.

### **Financial and Resource Implications**

There have been no costs associated with the development of this report and has been prepared within existing resources.

The consultant has advised that there will be resource implications if Council request amendments to Pedrina Park Masterplan – Ansett Pavilion redevelopment and Soccer Multiuse Community Pavilion, however officers recommend the importance of responding to submission and consider the final outcome for the facility as the priority.

In adopting this Strategy there will be resource implications for Council and the Community. There are many challenges that will need to be dealt with including consumer expectation, changing demographics, competition for participants, reliance on external revenues, maintaining and developing facilities, well trained personal and technology. To put simply Council cannot finically provide for all identified recommendations and a priority process on community demand/need, return on investment and risk will need to be undertaken.

Before any of the proposed capital works projects and service/activity strategy the Shire and Council will need to determine the feasibility and affordability and finalise a priority for each proposed project. In many instances responsibility for identified works may be the Shire, Tenant Club/User groups, DELWP or a combination.

Actions and outcomes that arise from this strategy will be subject to the normal Council budget process and therefore Council and the Community will be consulted on each occasion.

### **Legislation, Council Plan and Policy Impacts**

The Local Government Act 1989, states that the objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.

## Council Plan 2017- 2021

Council's vision is that 'Southern Grampians Shire will be recognised as a well-connected dynamic Regional Centre, supporting a vibrant, healthy and inclusive community'.

### 1.1 An empowered and resilient community

1.1.1 Communicate effectively with our community to promote understanding of Council's role and responsibility and ensure communities are well informed of Council's activities, projects and decisions.

### 1.2 A healthy and vibrant community.

1.2.1 Provide appropriate, accessible and equitable Council services, facilities and activities.

1.2.2 Support and encourage participation in quality arts and cultural, education, leisure, recreation and sporting opportunities.

1.2.4 Provide, promote and support appropriate and accessible services, facilities and activities for young people.

Southern Grampians Shire Council Health and Wellbeing Plan 2017-2021.

## **Risk Management**

The Plan and Masterplan acknowledges that the condition of recreation and leisure facilities are poor due to the historic low renewal and maintenance investment in previous years. It is because of this low investment and condition that the risk to Council is high to medium.

This document together with Asset Management plans should be used to prioritise investment in facility upgrade according to safety, usage, accessibility and affordability. Within this process there will be considerable community interest due to historic and personal connections to buildings and places.

The importance of evidence based decision making, transparency and greater community benefit will drive the priority and financial allocations to the implementation of this strategy.

## **Environmental and Sustainability Considerations**

Any capital projects and initiatives that arise from the strategy will be required to consider environmental and sustainability principals in their design, construct or implementation and will be done so on a case by case basis.

## **Community Consultation and Communication**

An extensive 10 week engagement process has been conducted as a part of the preparation of the draft strategy and was designed around Council's Community Development – Community Engagement Policy.

Consultation consisted of:

- Surveys and Submissions
- Youth Cafés

- Drop In Sessions
- Key Stakeholder Consultations.
- Public exhibition process

The findings and evaluation of this consultation has been summarised in Volume 2: Research and Consultation and have been incorporated within Volume 1: The Strategic Plan and Recommendations –draft report.

It should be noted the strategy has been prepared on consultation and evidence based approach and as such the document is provided for information purposes and to ensure factual content.

This report and attachments captures the submissions made to Council as a result of the public exhibition process.

### **Disclosure of Interests**

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

## **RECOMMENDATION**

That Council:

1. Note and receive the submissions made on the Draft Recreation and Leisure Strategic Plan and Masterplans Lake Hamilton and Pedrina Park.
2. Note and receive for information the Project Control Group's assessment and recommendation based on the submissions content, consequence, industry and funding guidelines and relevance to the Plan and Master Plans.
3. That Council note and approve the expenditure of the \$125,000 18/19 budget allocation on the following priorities for Lake Hamilton
  - a) Additional concreting at Lakes Edge.
  - b) Walking track improvements and re-sheeting.
  - c) Design and construction of a Dog Park.

## **MOTION**

**MOVED: Cr Rainsford**

**That Council:**

1. **Note and receive the submissions made on the Draft Recreation and Leisure Strategic Plan and Masterplans Lake Hamilton and Pedrina Park.**
2. **Note and receive for information the Project Control Group's assessment and recommendation based on the submissions content, consequence, industry and funding guidelines and relevance to the Plan and Master Plans.**



3. That Council note and approve the expenditure of the \$125,000 18/19 budget allocation on the following priorities for Lake Hamilton
  - a) Additional concreting at Lakes Edge.
  - b) Walking track improvements and re-sheeting.
  - c) Design and construction of a Dog Park.
  
4. That formal convening for consultation occur with users of Pedrina Park prior to the presentation of the Recreation and Leisure Strategic Plan for adoption by Council.

**MOTION lapsed for want of a SECONDER**

<b>COUNCIL RESOLUTION</b>
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**MOVED:** Cr Calvano  
**SECONDED:** Cr Dunkley

**That Council:**

1. Note and receive the submissions made on the Draft Recreation and Leisure Strategic Plan and Masterplans Lake Hamilton and Pedrina Park.
  
2. Note and receive for information the Project Control Group's assessment and recommendation based on the submissions content, consequence, industry and funding guidelines and relevance to the Plan and Master Plans.
  
3. That Council note and approve the expenditure of the \$125,000 18/19 budget allocation on the following priorities for Lake Hamilton
  - a) Additional concreting at Lakes Edge.
  - b) Walking track improvements and re-sheeting.
  - c) Design and construction of a Dog Park.

**CARRIED**

## 10.5 Amendment S51SGRA and Planning Permit TP/32/2018 – recommendation of adoption of amendment

**Directorate:** Andrew Goodsell, Director Planning and Development  
**Author:** Roslyn Snaauw Coordinator Planning  
**Attachments:** 6. Pierrepoint Planning Report  
7. Council Planning Assessment Report TP/32/2018  
8. Plans of Subdivision  
9. Zoning Map  
10. Draft Planning Permit TP/32/2018 (amended)

### Executive Summary

The purpose of this report is to provide an overview and recommendation in regards to S51SGRA Planning Scheme Amendment and an associated planning permit application TP/32/2018. The S51SGRA is to allow rezoning of land (and map amendment) that is currently within a Special Use Zone (SUZ2) to be zoned General Residential Zone (GRZ1).

Pursuant to the SUZ, whilst you can apply to subdivide the land, the use of the site for a dwelling is prohibited. The rezoning of the land to GRZ1, will allow the use of the land for a dwelling.

In addition to the S51SGRA Amendment, an application for a permit was lodged by Pierrepoint Planning on behalf of the Hamilton Golf Club for the subdivision of Lot 9 on LP98061 into six (6) lots and Lot 1 TP131200X into three (3) lots.

This report recommends that Council adopt the amendment and approve a permit and conditions, and subsequently refer the Amendment and permit to the Minister for Planning for approval and gazettal.

### Discussion

An application was received on 7 March 2018 for a planning scheme amendment to the zoning of land (which includes amending a planning scheme map) and a nine (9) lot subdivision.

An amendment requires council to begin a process to change the planning scheme. In recognition of this, the Act requires council to have regard to certain matters in preparation of this.

Council resolved to support the preparation and exhibition of this amendment (initially C37 now CSGRA) on 12 September 2018.

Authorisation by the Minister of Planning was obtained on 10 October 2018 and the exhibition of the amendment documents and draft permit for public comment was released on 14 November 2018 and concluded on 14 December 2018. No submissions were received.

If the amendment is approved, it will allow the for conventional residential infill lots.

It is unlikely that a Directions or Panel Hearing will be required with the Department of Land, Water and Planning, as no submissions were received and the amendment and permit will be referred onto the Minister for Planning for approval and gazettal.

## **Financial and Resource Implications**

Any costs associated with preparing the amendment documents are borne by the applicant.

## **Legislation, Council Plan and Policy Impacts**

### **Council Plan**

The amendment aligns with a number of strategies identified to deliver each of the objectives in the Council Plan 2017-2021.

### **Planning and Environment Act 1987**

The process of a combined amendment and planning permit application is set out in the *Planning and Environment Act 1987* (Act) pursuant to Section 96A which makes provisions for a combined amendment and permit process avoiding the necessity for a two-stage process where a proposal requires a rezoning and a planning permit. This allows the planning authority to simultaneously prepare and give notice for a proposed amendment to the planning scheme and give notice of an application for a planning permit.

### **Planning Scheme**

In assessing the application for a combined planning scheme amendment and planning permit application, Council, as the responsible authority and planning authority, must consider the Planning Policy Framework, Local Planning Policy Framework including the Municipal Strategic Statement and the zones.

### **Risk Management**

There are not notable risks associated with the proposed Amendment and permit application.

All fees are required to be paid by the proponent of the request for a combined planning scheme amendment and planning permit application, including any costs that would be associated with a Directions or Panel Hearing if required.

## **Environmental and Sustainability Considerations**

The amendment will provide the ability for the land within an established residential neighbourhood of Hamilton, located adjoining and adjacent the subject land, to be subdivided for residential development.

No adverse environmental effects are anticipated as a result of the amendment.

## **Community Consultation and Communication**

Public exhibition was undertaken on the 14 November 2018 and concluded on 14 December 2018. Notice of the amendment to:

- Prescribed Ministers
- Letters of notice to neighbouring residents and landowners
- Notice in the Victorian Government Gazette
- Notice in the Hamilton Spectator
- Copies of amendment available at council's reception desks at both Market Square and Brown Street
- Council website

**Disclosure of Interests**

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

**RECOMMENDATION**

That Council:

1. Adopt Amendment C51SGRA to the Southern Grampians Planning Scheme pursuant to Section 29 of the *Planning and Environment Act 1987*;
2. Submit Amendment C51SGRA to the Minister for Planning for approval and gazettal pursuant to Section 31 of the *Planning and Environment Act 1987*; and
3. Recommend to the Minister for Planning that Planning Permit TP/32/2018 be granted with the attached conditions pursuant to Section 96G(1)(a) of the *Planning and Environment Act 1987* concurrently with the Amendment.

**COUNCIL RESOLUTION**

**MOVED:** Cr Rainsford  
**SECONDED:** Cr Dunkley

That Council:

1. **Adopt Amendment C51SGRA to the Southern Grampians Planning Scheme pursuant to Section 29 of the *Planning and Environment Act 1987*;**
2. **Submit Amendment C51SGRA to the Minister for Planning for approval and gazettal pursuant to Section 31 of the *Planning and Environment Act 1987*; and**
3. **Recommend to the Minister for Planning that Planning Permit TP/32/2018 be granted with the attached conditions pursuant to Section 96G(1)(a) of the *Planning and Environment Act 1987* concurrently with the Amendment.**

**CARRIED**

## 10.6 Review of 2018-2019 Capital Works Report

**Directorate:** David Moloney, Director Shire Infrastructure  
**Author:** David Moloney, Director Shire Infrastructure  
**Attachments:** None

### Executive Summary

The capital program forms a significant proportion of Council's budget. In 2018-2019, over \$20M was allocated to capital works projects across the Shire. This report indicates the progress to date on the capital works program. Assessments of the capital program delivery is to the 31 December 2018 and compares actual and forecast targets.

Southern Grampians Shire Council has 247 projects in the capital works program to be delivered this financial year. Currently there are 40 projects started with 3 being completed.

This report is for noting by the Council.

### Discussion

The capital program forms a significant proportion of Council's budget. In 2018-2019, has over \$20M allocated to capital works projects across the Shire. The works included:

- Road and Bridge Upgrades
- Footpaths
- Playgrounds
- Building Maintenance
- Art Gallery/PAC Maintenance
- Library
- Culverts
- Kerb and Channel
- Recreation Centres and Facilities
- Cox St Upgrade
- Industrial Land Project
- Landfill
- Livestock Exchange Project Stage 1 and 2

The aim of the capital program is to provide targeted funding on projects to maintain or improve Council's infrastructure, assets and services.

The review of the program is important to ensure the projects are delivered. This report looks at the progress of the 2018-2019 capital program.

After Council adopted the 2018-2019 budget, Council Officers forecast the capital program for the following criteria:

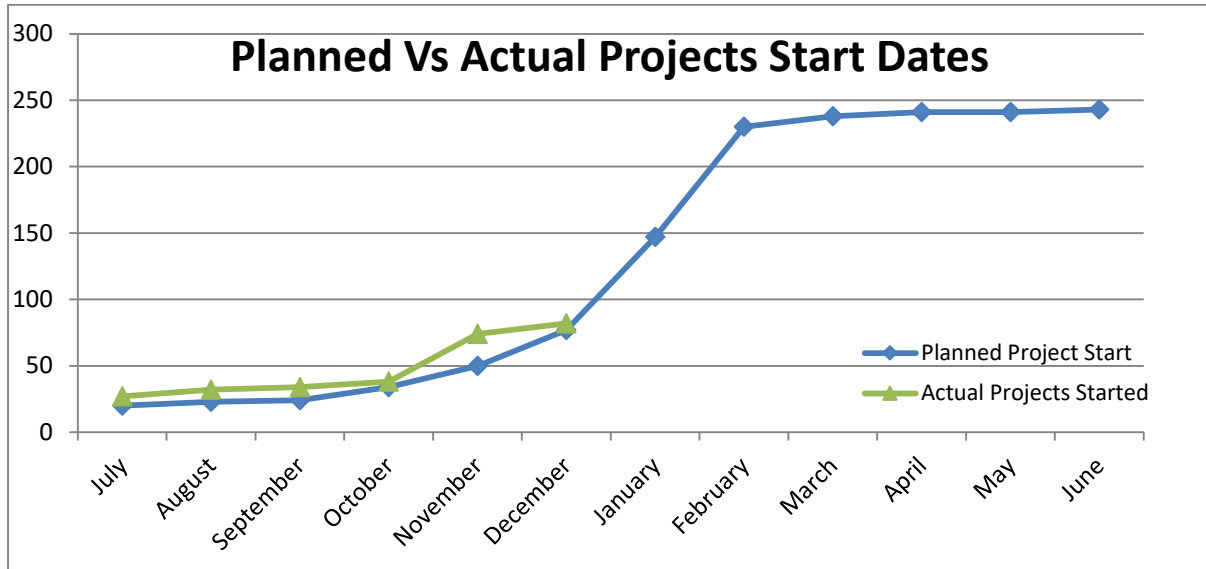
1. Forecast project start date
2. Forecast project finish date
3. Forecast expenditure

Each month staff update the progress of their projects and charts are developed to monitor the progress of the program.

**Time**

The 2018-2019 Budget listed 247 projects to be delivered across the range of areas listed above. These projects range from \$2,000 to \$2.5M. This report does not include flood recovery projects.

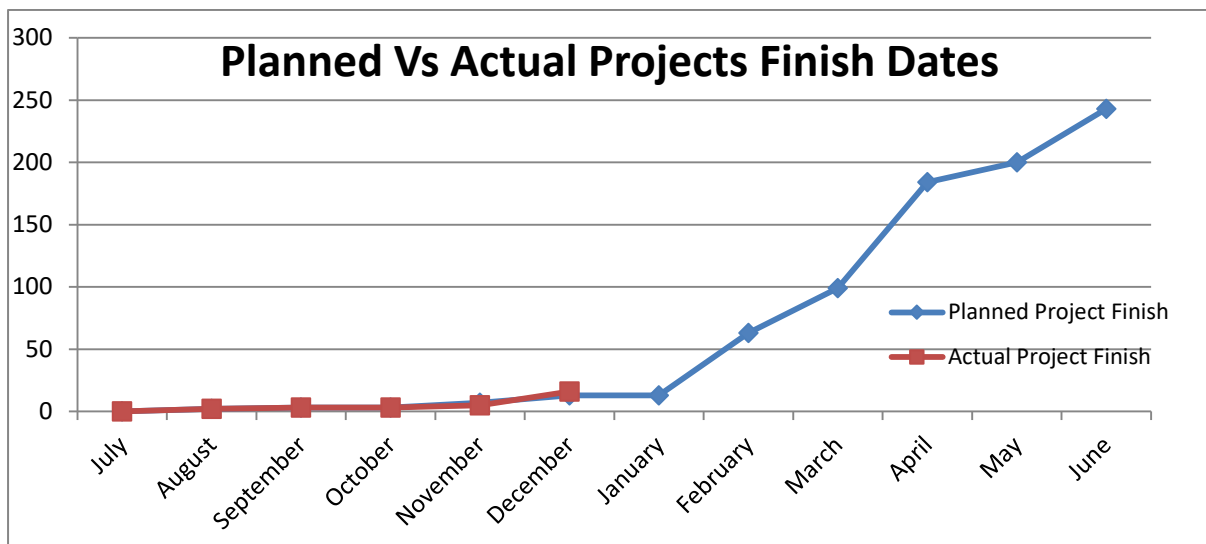
Figure 1 Project Start Dates, shows a comparison between the forecast start date for projects and the actual start dates for projects.



**Figure 1 Project Start Dates**

Figure 1 shows that Council is currently slightly ahead of the target for projects to be started.

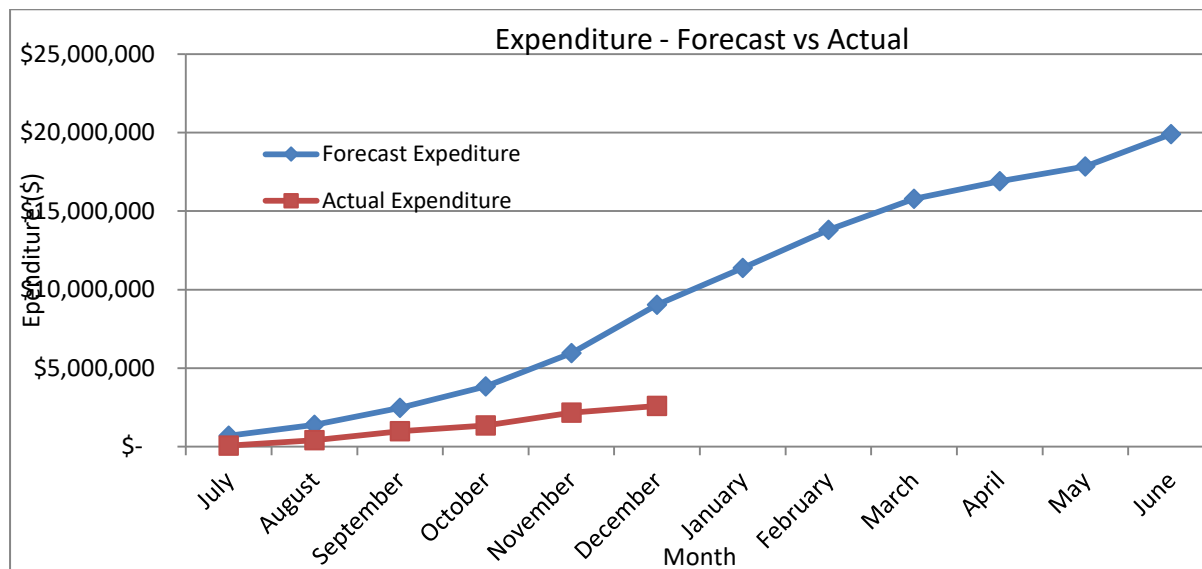
Figure 2 Project finish dates, show the forecast finish dates for projects against the actual finish dates. Figure 2 show the Council is currently where it was forecast to be in relation to the completion of projects.



**Figure 2 Project finish dates**

Figure 3 Forecast Expenditure vs Actual Expenditure, shows the forecast expenditure vs the actual expenditure on projects. Figure 3 shows that expenditure is relatively low when compared to the forecast expenditure.

Several contracts and the reseal program are due to start in January which should see an increase in expenditure



**Figure 3 Forecast Expenditure vs Actual Expenditure**

Project Status	Actual	Planned
Not Started	160	167
Started	82	77
Completed	16	13
Deferred	0	0

**Figure 4 Project Status Summary**

Figure 4 Project Status Summary, shows the program against the planned program delivery

Overall there has been significant progress made on the getting an early delivery of the Capital Program over the first 6 months which is to be expected as the capital program reaches its peak construction period.

There is over \$6M in contracts let and \$1.6m in annual program works planned to start in January and February including the reseal program.

**Legislation, Council Plan and Policy Impacts**

This report assists Council in meeting its obligations under the Local Government Act 1989.

This report also relates to the:

- Southern Grampians Shire Council – 2017-2021 Council Plan and;
- 2018-2019 Southern Grampians Shire Council Budget.

**Disclosure of Interests**

All Council Officers involved in the development and advice provided in this report affirm that no direct or indirect interests need to be declared in relation to any matters in this report.

**RECOMMENDATION**

That Council receives the progress review of the 2018-2019 Capital Program.

**COUNCIL RESOLUTION**

**MOVED:** Cr Calvano  
**SECONDED:** Cr McAdam

**That Council receives the progress review of the 2018-2019 Capital Program.**

**CARRIED**



## 10.7 2018 Bin audits and FOGO (Food Organics Garden Organics) project

**Directorate:** David Moloney, Director Shire Infrastructure  
**Author:** Kylie McIntyre – Sustainability Coordinator  
**Attachments:** None

### Executive Summary

This report provides an update to Council of kerbside bin audits completed in 2018 and some interim findings of a collaborative project between Southern Grampians, Moyne and Corangamite Shire Councils which aims to increase the amount of food waste being diverted from landfill via the kerbside organic waste services.

Recycling behaviour in Southern Grampians has improved since the previous audit in 2014 but Council has the significant challenges of increasing the take up of the kerbside organic waste service and increasing food diversion.

The collaborative project (“Let’s Go: FOGO”) provides some practical actions Council can take immediately to improve diversion of food waste.

It is recommended that the information from the BSWWRRG Kerbside Bin Audit and the Let’s Go FOGO Focus Group be received.

### Discussion

#### 1. Bin Audits 2018

The bin audits were coordinated and funded by the Barwon South West Waste and Resource Recovery Group (BSWWRRG) and were conducted by a Sydney-based waste consultancy EC Sustainable Pty Ltd in April-June 2018 at a total cost of \$145,000 for the nine councils. The SGSC contribution to BSWWRRG in 2018/19 was \$7,900, illustrating the benefit of belonging to the group and of participating in its Local Government Program. The kerbside bin audits for Southern Grampians were conducted in April 2018 in Hamilton and Coleraine in April 2018.

The purpose of the audits was to measure the current performance of the various bin systems within the nine Council areas and monitor the effectiveness of diversion strategies. The data collected were extensive and detailed, and the report provides the region’s Councils with important information to aid decision making in regard to waste management.

The following table shows Southern Grampians’ measures from the 2018 audit compared to the same measure in the last audit in 2014, and compared to the regional average across the nine Barwon South West shires.

Table 1- Summary - Bin Audit results

Measure	Change 2018 to 2014	Southern Grampians 2018	Southern Grampians 2014	Regional average 2018
Waste generation (kg/hh/wk)	↑	10.8	8.1	8.9
Recycling generation (kg/hh/wk)	--	4.9	5.5	5.4
Organics generation (kg/hh/wk)	↑	10.4	9.9	8.0
% by weight of recyclables in waste bin (kg)	↓	10.5	17.9	15.0
% by weight of organics in waste bin (kg)	↑	56.4	45.8	46.8
Contamination in recycling (% by weight)	↓	10.6	20.8	16.0
Contamination in Organics (% by weight)	--	0.9	0.6	1.2
Diversion rate (% by weight)	↑	34.6	26.1	51.7

Observations from the audit can be summarised as follows:

1. **Positive results:**

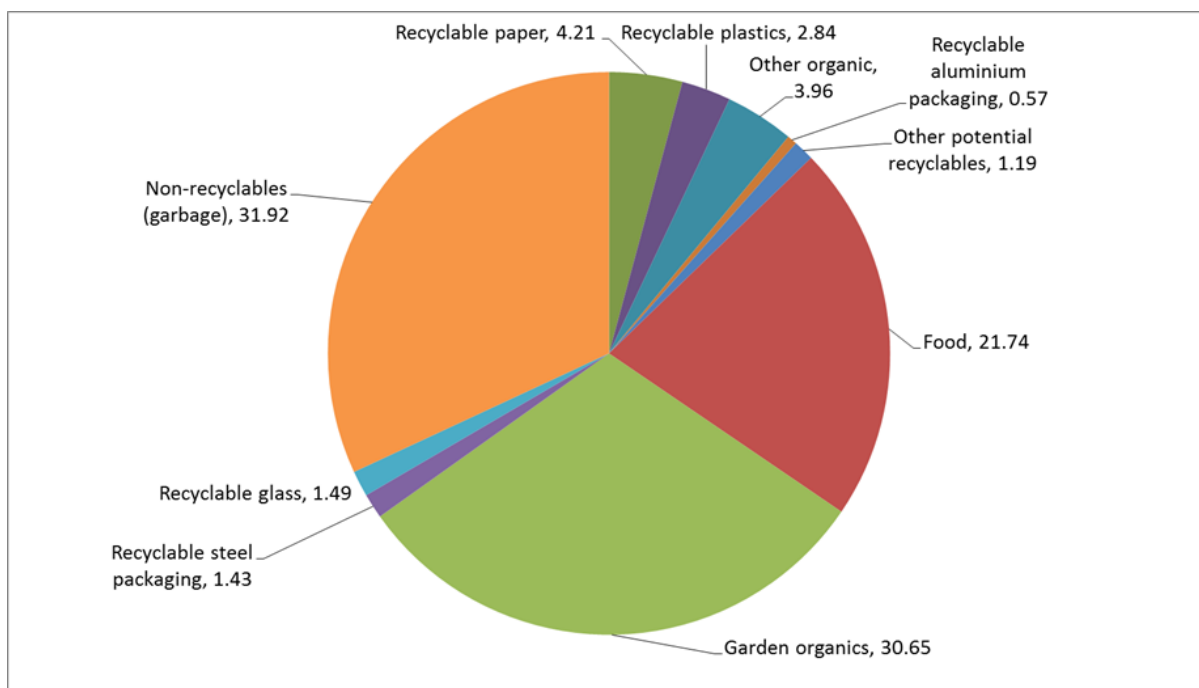
- SGSC has very low contamination in the recycling bin (10.6% by weight, down from 20.8% in 2014 and lower than the regional average of 16.0%).
- SGSC has a low percentage of recyclables in the garbage bin (10.5% by weight compared to regional average of 15%). This is an improvement from the 2014 rate of 17.9%.

2. **Challenges:**

- SGSC has a high waste generation rate – 10.8 kg/household/week compared to regional average of 8.9 kg/household/week. This is an increase from 8.1 kg/household/week in 2014.
- SGSC has a high percentage of organics in the garbage bin (56.4% by weight compared to regional average of 46.8%). This is an increase from 45.8% in the 2014 audit. Composition was 21.7% food, 30.7% garden waste, 2.6% other putrescible waste and 1.4% untreated wood waste.

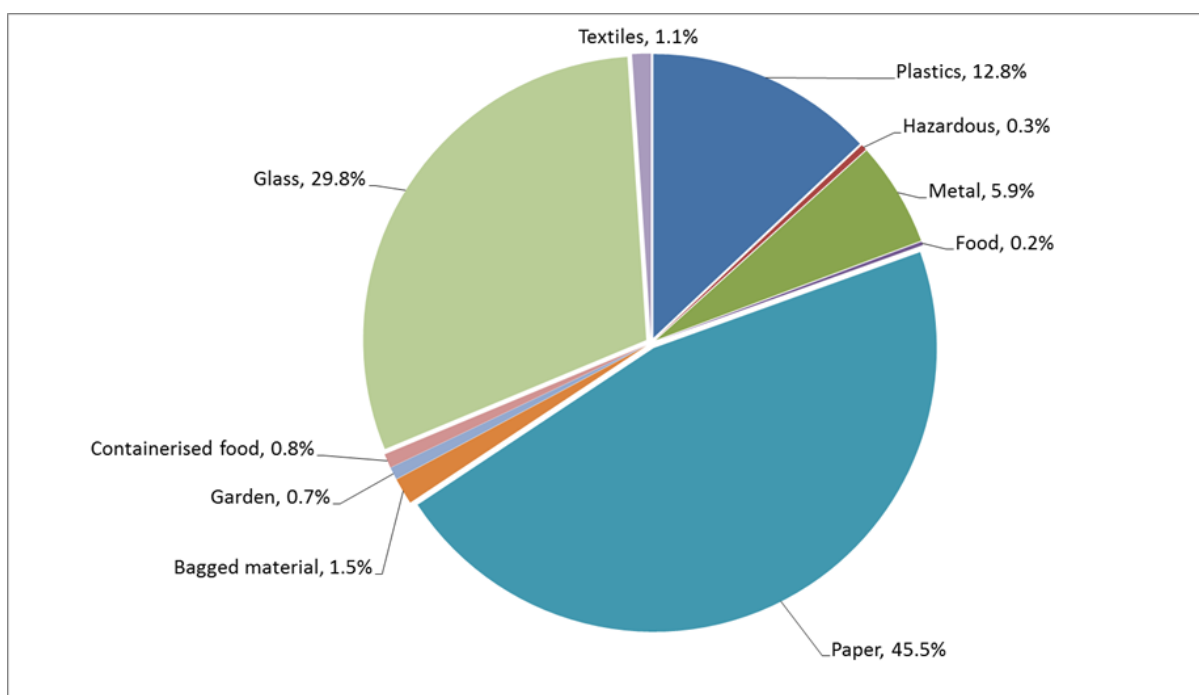
3. **General observations:**

- Recycling generation in SGSC is lower than the regional average – 4.9 kg/household/week compared to 5.4 kg/household/week and down from 5.5 kg/household/week in 2014.
- Contamination in the organics bin has increased from 0.6% by weight in 2014 to 0.9% but is lower than the regional average of 1.2%.
- Overall diversion rate at SGSC has increased from 26.1% in 2014 to 34.6% but is still considerably lower than the regional average of 51.7%.
- Councils with a compulsory organics bin have higher diversion rates.
- To improve the diversion rate Council needs to consider compulsory organics (food and garden) service.



**Figure 1 – Composition of materials in Garbage bins**

As Figure 1 shows, the average Southern Grampians garbage bin contains 30% by weight of garden waste and 22% food waste, both of which could be diverted into the organic waste stream. Approximately 10% by weight was recyclable materials that could also be diverted but in comparison to the regional average of 15% it shows a good understanding by Southern Grampians residents of what can be recycled.

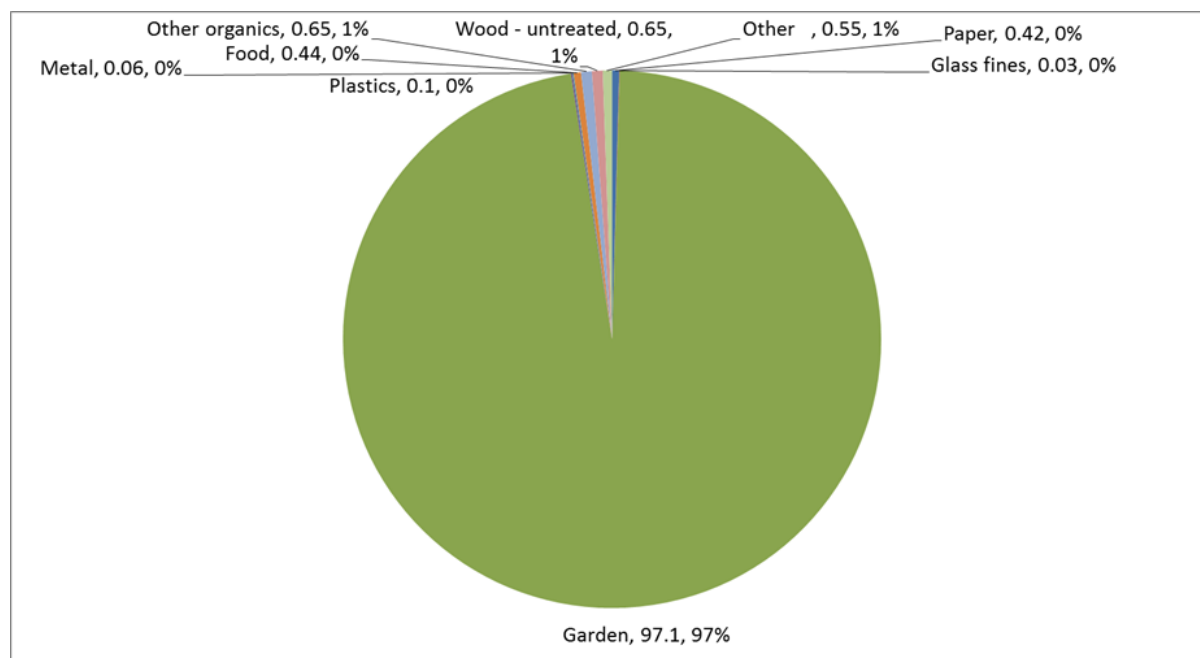


**Figure 2- Composition of materials in recycling bin**

Figure 2 shows that in Southern Grampians the rate of contamination in the recycling bin is quite low (10.6% by weight, down from 20.8% in 2014 and lower than the regional average of 16.0%). Materials that should not be in the recycling bin were garden waste, items in plastic bags, food, textiles and a small quantity of hazardous material. Almost 30% by weight in the recycle bin is glass which can present a problem when small fragments of broken glass contaminate higher value materials such as paper and cardboard. The option of separating

glass at the source (at the household or business) and treating it separately is one that many Councils are considering at present and is worth considering.

Both these diagrams indicate an improvement since 2014 and show the effectiveness of community waste education that Council has undertaken since the previous audit which focussed on reducing contamination in recycling and recovering recyclable items from the garbage bin.



**Figure 3- Composition of materials in Organic bins**

Figure 3 indicates that residents are primarily using the organic bin for garden waste rather than food waste and increasing the diversion of food waste is one of Council’s major challenges. Only 20 of eligible households have taken up the optional organics service and it is a further challenge for Council to increase the participation rate.

**2. “Let’s Go: FOGO” project**

The “let’s Go: FOGO” project is a joint project with Moyne and Corangamite Shires, auspiced by Moyne Shire and funded by DELWP through the Collaborative Councils program.

It examined behaviour around food waste in organic bins and included focus group meetings of small groups of residents who utilise the respective organic waste kerbside services in the three Shires. The project when completed will provide Councils with intervention recommendations and materials such as flyers, posters and fact sheets that can be used to inform and educate residents. The final report will be provided later in 2019 so the only information presented within this report is the findings of the Southern Grampians focus group which met in Hamilton in August 2018.

In summary, the focus group stated that they in general are not using the FOGO bin for food waste, they are not using a kitchen caddy to divert food scraps and waste from the kitchen, they didn’t know bones, meat and dairy product waste can go in FOGO bin and that they believe the additional cost of bin and the kerbside organics service are barriers to participation.

This confirmed what we previously observed in the bin audits and provides Council with some concrete actions to improve participation and food diversion which are to:

- Actively promote FOGO service
- Supply and promote kitchen caddies and liners
- Educate users via
  - Flyers
  - Radio
  - Newspaper
  - Website
  - Social media

The Let's GO:FOGO project is continuing so Council will be further updated later in 2019.

### **Legislation, Council Plan and Policy Impacts**

The projects support the Council Plan 2017-21 strategic objectives in regard to waste management, specifically:

- 4.1.4 Reduce Council's carbon and ecological footprint
- 4.3.1 Examine and provide comprehensive waste collection services maximising community awareness and participation in waste diversion strategies
- 4.3.2 Develop and implement education programs to increase waste diversion from landfill

### **Disclosure of Interests**

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

#### **RECOMMENDATION**

It is recommended that the information from the BSWWRRG Kerbside Bin Audit and the Let's Go FOGO Focus Group be received.

#### **COUNCIL RESOLUTION**

**MOVED:** Cr Rainsford  
**SECONDED:** Cr Sharples

**It is recommended that the information from the BSWWRRG Kerbside Bin Audit and the Let's Go FOGO Focus Group be received.**

**CARRIED**

## 10.8 Supply and Delivery of One (1) Grader

**Directorate:** David Moloney, Director Shire Infrastructure  
**Author:** Brett Holmes, Acting Manager Works  
**Attachments:** None

### Executive Summary

The Southern Grampians Shire Council's 2018/19 Plant replacement program ensures an effective and efficient service to renew ageing assets parallel to Councils Long Term Financial Plan.

Councils Works Department currently operate Graders within the fleet that are integral to our road construction & maintenance works programs throughout the Shire.

Specialist Plant is required to deliver this service, the grader due for replacement was purchased in February 2007 and has exceeded its expected lifecycle. It has been forecast to renew this item during the 2018/19 financial year.

Two tenders were received and assessed in accordance with Council policy and it is recommended that Council accept the submission from William Adams Pty Ltd for the sum of \$441,399 (incl GST) plus on road costs.

### Discussion

Council's grader fleet is required for the primary function of road construction, both capital and maintenance programs throughout the shire.

This fleet item, due for replacement, operates year round and, whilst it is generally based in the central sector, it can be called upon to operate across all parts of the shire to align with the works program. It has also been operated in numerous private works jobs during its operational lifetime.

The current grader is in fair to good condition for its age but now is in the high risk category for a major componentry failure if it is continued to be used for any prolonged period.

Technological advances in GPS and grader operations provide greater efficiencies in road construction and maintenance.

Council engaged with the Municipal Association of Victoria (MAV) with contract access to Vendor Panel to assist with the purchase of the Grader. Council seek to be advantaged by the use of MAV Vendor Panel Contract - MAV NPN2.15 Plant, Machinery and Equipment.

In consultation with the Works Department, Plant Management & Operations together with the guidance of Councils Procurement Officer, an RFQ was posted (from the Panel Suppliers of the contract) through MAV Vendor Panel, for the Supply and Delivery of One (1) Grader.

To assist with the evaluation and recommendation, all submissions were weighted in accordance to the RFQ.

Tendered Price 30%  
Fit for Purpose 25%  
Product Backup and Support 35%  
Environmental 10%

Council has received 2 submissions from 2 Suppliers.

Grader	Tenderer	Tendered Price	Total Score
Caterpillar 12M	William Adams Pty Ltd	Base Price: \$421,300	9.09
		With extras: \$441,399	
John Deere 670GP	Hitachi Construction Machinery	Base Price: \$420,000	7.58
		With extras: No Prices Submitted	

### Financial and Resource Implications

Council resolved and adopted the 2018/19 Plant Replacement Program an annual budget resource of \$2.2M Incl. GST. The purchase of this new Grader is within Councils adopted budget.

### Legislation, Council Plan and Policy Impacts

Councils June 2011 Asset Management Plan, appendix 6. Lifecycle Management Plan, sub appendix 6.2 through to 6.3.7.

Procurement section 186 1989 Local Government Act linked to Councils Procurement Policy.

### Risk Management

Council as the employer have a legal responsibility under the Occupational Health and Safety Act 2004, sub appendix P.35 Plant, to have access to safe Plant and Machinery. Section 21.1 of the Act states, an employer must, as so far as reasonably practical, provide and maintain for employees of the employer a working environment that is safe and without risk to health.

Operating costs increase due to aging equipment, worn componentry and higher maintenance programs. Aging equipment returns increased (downtime) resulting in loss of productivity.

### Environmental and Sustainability Considerations

Plant Management & Operations looks favourably upon manufacturers with designs that meet and exceed Australian Green House Emissions ratings.

### Consultation and Communication

RFT submissions will be notified by the Procurements Officer of the decision made by Council at its meeting held in February 2019.

### Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

**RECOMMENDATION**

That Council:

- Accept the submission from William Adams Pty Ltd for the sum of \$441,399 (incl of GST) plus on road costs.
- Sign and seal the contract documents when prepared.

**COUNCIL RESOLUTION**

**MOVED:** Cr McAdam

**SECONDED:** Cr Sharples

That Council:

- **Accept the submission from William Adams Pty Ltd for the sum of \$441,399 (incl of GST) plus on road costs.**
- **Sign and seal the contract documents when prepared.**

**CARRIED**



## 10.9 Supply and Delivery of One (1) Road Maintenance Unit

**Directorate:** David Moloney, Director Shire Infrastructure  
**Author:** Brett Holmes, Acting Manager Works  
**Attachments:** None

### Executive Summary

The Southern Grampians Shire Council's 2018/19 Plant replacement program ensures an effective and efficient service delivery to renew ageing assets parallel to Councils Long Term Financial Plan.

Councils Works Department currently operate road maintenance units within the fleet that are integral to our road construction & maintenance works programs throughout the Shire and specialist plant is required to deliver this service.

One tender was received and accessed in accordance with Council policy. It is recommended that Council accept the submission from Blue Lake Vehicles Pty Ltd trading as Mount Gambier Isuzu fitted with an Ausroads Systems Pty Ltd JetMaster road maintenance body for the sum of \$460,212 (incl GST) plus on road costs.

### Discussion

This fleet item will operate on a daily basis and whilst it will be generally based in the central sector, it will be called upon to operate across all parts of the shire to align with the works program.

As an addition to the current road maintenance fleet, this vehicle will allow a single operator to conduct road maintenance works across the shire in an efficient manner.

Council has engaged with the Municipal Association of Victoria (MAV) with contract access to Vendor Panel to assist with the purchase of the road maintenance unit. Council seek to be advantaged by the use of MAV Vendor Panel Contract - MAV NPN1.15 Specialist Trucks and Bodies.

In consultation with the Works Department, Plant Management & Operations together with guidance from Councils Procurement Officer, an RFQ was posted (from the Panel Suppliers of the contract) through MAV Vendor Panel, for the Supply and Delivery of One (1) road maintenance unit.

To assist with the evaluation and recommendation, all submissions were weighted in accordance to the RFQ.

Tendered Price 40%  
Fit for Purpose 30%  
Product Backup and Support 20%  
Environmental 10%

Council has received 1 submission from 1 Supplier.

Truck	Tenderer	Tendered Price	Total Score
Isuzu FXZ 240-350 + AusRoads Systems JetMaster	Blue Lake Vehicles Pty Ltd trading as Mount Gambier Isuzu	\$460,212	9.10

### Financial and Resource Implications

Council resolved and adopted the 2018/19 Plant Replacement Program with an annual budget resource of \$2.2M Incl. GST. The purchase of this new Road Maintenance Unit is within Councils adopted budget.

### Legislation, Council Plan and Policy Impacts

Councils June 2011 Asset Management Plan, appendix 6. Lifecycle Management Plan, sub appendix 6.2 through to 6.3.7.

Procurement section 186 1989 Local Government Act linked to Councils Procurement Policy.

### Risk Management

Council as the employer have a legal responsibility under the Occupational Health and Safety Act 2004, sub appendix P.35 Plant, to have access to safe Plant and Machinery. Section 21.1 of the Act states, an employer must, as so far as reasonably practical, provide and maintain for employees of the employer a working environment that is safe and without risk to health.

Operating costs increase due to aging equipment, worn componentry and higher maintenance programs. Aging equipment returns increased (downtime) resulting in loss of productivity.

### Environmental and Sustainability Considerations

Plant Management & Operations looks favourably upon manufacturers with designs that meet and exceed Australian Green House Emissions ratings.

### Consultation and Communication

RFT submissions will be notified by the Procurements Officer of the decision made by Council at its meeting held in February 2019.

### Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

**RECOMMENDATION**

That Council:

1. Accept the submission from Blue Lake Vehicles Pty Ltd trading as Mount Gambier Isuzu fitted with an Ausroads Systems Pty Ltd, JetMaster road maintenance body for the GST inclusive sum of \$460,212 plus on road costs.
2. Sign and seal the contract documents when prepared.

**COUNCIL RESOLUTION**

**MOVED:** Cr Sharples  
**SECONDED:** Cr Rainsford

That Council:

1. **Accept the submission from Blue Lake Vehicles Pty Ltd trading as Mount Gambier Isuzu fitted with an Ausroads Systems Pty Ltd, JetMaster road maintenance body for the GST inclusive sum of \$460,212 plus on road costs.**
2. **Sign and seal the contract documents when prepared.**

**CARRIED**

## 10.10 Take 2 Carbon Emissions Reduction Pledge Program

**Directorate:** David Moloney, Director Shire Infrastructure  
**Author:** Kylie McIntyre – Sustainability Coordinator  
**Attachments:** None

### Executive Summary

Council has been invited by the Victorian Government to participate in the statewide voluntary pledge program “Take 2”. The Victorian Government aims to reduce the state’s greenhouse gas emissions by 15 to 20 per cent by the year 2020, setting Victoria on the path to net zero emissions by 2050 and the Take 2 program aims to contribute to the reduction.

Participation on the program would provide Council with an opportunity to promote the work previously done in emissions reduction, raise Council’s profile amongst the local community and across the state and provide a focus for continuing sustainability efforts.

It is recommended that Council participates in the Take 2 greenhouse gas reduction pledge program.

### Discussion

Council recognises the environmental impact of its activities and has been monitoring its carbon emissions and energy use since 2009. Energy audits of key Council-owned facilities were undertaken in 2009, 2012 and 2018. Council has implemented many energy saving measures recommended from these audits, particularly at HILAC, Market Place, the Hamilton Livestock Exchange, Brown St Business Centre and the Hamilton Depot. The introduction of an organic waste kerbside service was also a greenhouse gas reduction measure. The service has been taken up by around 20% of eligible households and helps to reduce methane emissions from landfill by diverting food and garden waste materials to a composting facility.

These works have helped reduce greenhouse gas emissions from electricity use including street lighting by 45% from 3,412 tonnes CO<sub>2</sub>-e in 2008/09 to 1,870 tonnes CO<sub>2</sub>-e in 2017/18.

Council is participating in the Victorian Government’s “Local Government Energy Saver Program” which provides for 22 resource-constrained regional councils across Victoria, including Southern Grampians, to establish their corporate greenhouse gas emissions profiles, conduct energy audits of key facilities and implement actions from the audits.

Parallel to the Energy saver Program is the Victorian Government’s “Take 2” pledge program which is a collective climate change initiative. Victorian businesses, Councils, community organisations and education institutions are invited to make a pledge to reduce their emissions, to contribute to the state target of net zero emissions by 2050. Participation in this voluntary program demonstrates that organisations are environmentally responsible and has a reputational benefit.

Southern Grampians has already undertaken many of the actions suggested for local government such as changing street lighting to LED, installing solar PV systems onto Council buildings, monitoring carbon emissions, purchasing fuel-efficient fleet vehicles, training drivers to be more fuel-efficient, introducing public place recycling, developing a sustainable procurement policy, investigating how climate change will affect agriculture and including environmental evaluation criteria into quotes and tenders.

The 2016/17 greenhouse gas emissions profile was calculated in April 2018 and a summary of findings is presented in Table 1. As demonstrated in previous carbon inventories, the Hamilton landfill is the largest source of emissions from Council operations, followed by electricity use including street lighting.

Understanding our emissions profile enables Council to address activities that create emissions.

**Table 1: Annual resource consumption and associated greenhouse gas (GHG) emissions**

<b>Emission source</b>	<b>Annual consumption</b>	<b>Annual GHG emissions (tCO<sub>2</sub>-e)</b>
Landfill	-	4,904
Electricity - buildings	1,215,456 kWh	1,446
Plant	458 kL	1,309
Electricity - street lighting	356,495 kWh	424
Natural Gas - Buildings	3,681,824 MJ	204
Water	60,986 kl	164
Fleet	59 kL	153
LPG - Buildings	5,377 litres	9
<b>Total</b>		<b>8,614</b>

Council has been invited by Sustainability Victoria as a parallel exercise to the Energy Saver program, to take part in the Take 2 program. This initiative is a Victorian Government program introduced to help Victoria reach its target of net zero greenhouse gas emissions by 2050. It is mandatory for all state government departments to make a pledge to reduce their emissions and voluntary for local government, businesses and other organisations. Currently there are 57 Councils/authorities (such as water authorities, CMAs etc including Warrnambool City Council, City of Ballarat, Buloke Shire, Wannon Water and Pyrenees Shire Council), 292 businesses and 96 community groups that have already made a pledge and the details of each one can be viewed on the Sustainability Victoria website <https://www.take2.vic.gov.au/pledge-directory/>.

Southern Grampians Shire Council has already carried out some of the suggested actions appropriate to local government that can be promoted to the community. The complete list of suggested actions is presented in Table 2.

Participation on the program would provide Council with an opportunity to promote the work previously done in emissions reduction, raise Council's profile and provide a focus for continuing sustainability efforts.

**Table 2. Emissions reduction actions**

<b>Energy efficiency category</b>	Indicates actions already completed or started
Undertake an energy inventory and develop a reporting process	✓
Develop a climate policy	
Set a science based emissions reduction target	
Set minimum energy efficiency standards for constructing, renovating and maintaining Council-owned buildings	
Develop and implement a program to address energy efficiency in reactive maintenance	
Develop and implement a council building energy efficiency capital works program	
Ensure Council’s building management systems (BMS) maximise energy performance	
Upgrade heating, ventilating and air conditioning (HVAC) in Council-owned buildings	
Change street lighting to LED (residential and council-managed roads first, then change main road LED street lighting)	✓
Enter into an energy performance contract (EPC)	
<b>Renewable energy category</b>	
Establish a policy for Council’s own new builds to have energy efficiency and renewable plans	
Develop a renewable energy implementation plan	
Set a renewable energy target for Council	
Buy renewable energy	
Investigate microgrid opportunities	✓
Review renewable energy options for aquatic centres	✓
Install solar photovoltaic on buildings that can support the technology	✓
Trial or install battery storage	
Find innovative market solutions for investment in renewable energy contracts	
<b>Emissions offsets category</b>	
Assess and monitor Council’s carbon emissions	✓
Have carbon emissions independently verified	✓
Buy carbon offsets for air travel	
Buy carbon offsets for business emissions	
Get carbon neutral accreditation through National Carbon Offset Standard and promote through the Carbon Neutral Network	
<b>Strategic and statutory planning</b>	
Work with developers to improve local development standards	
Investigate opportunities for low carbon growth planning in new developments	
Map climate change hazards for Council assets and the municipality	✓
Develop guidelines for solar photovoltaic and solar hot water installations	
Develop an ecologically sustainable development (ESD) policy planning amendment to the local planning scheme	
Train planning staff to effectively apply ESD principles	

Conduct on-site ESD inspections for developments once built	
Work with other councils to adopt a standard for ESD policies in planning schemes	
Assess planning applications with the Council Alliance for a Sustainable Built Environment's (CASBE) Built Environment Sustainable Development Scorecard	
<b>Transport and fleet category</b>	
Assess fleet management to identify fuel efficiency opportunities	✓
Train staff in fuel efficient driving techniques	✓
Encourage staff to use public transport for work-related travel by offering MYKI cards	N/A
Provide staff facilities for active travel including cycling, running and walking	
Provide bicycles to staff for work travel	✓
Build more dedicated cycling paths	
Construct more on-road cycling lanes	
Buy low emissions vehicles for Council's passenger fleet	✓
Investigate fuel/vehicle options for Council's heavy and commercial vehicles	✓
Investigate opportunities to install electric vehicle recharge infrastructure	✓
<b>Waste category</b>	
Develop or update municipal waste management and resource recovery strategy	✓
Identify and set internal waste reduction targets	
Educate staff to better manage waste	✓
Install separate bins for landfill, co-mingled, soft plastics, organics, e-waste and light globes in council-managed buildings	✓
Reduce contamination in kerbside waste collection	✓
Introduce a kerbside organic waste collection program	✓
Introduce a recycling system for public places	✓
Identify opportunities to turn waste to energy	✓
Promote 'Detox your Home' mobile collections and permanent drop-off sites to your community	✓
<b>Natural and urban environment category</b>	
Map local biodiversity	✓
Develop a biodiversity plan that considers climate change threats, impacts, opportunities, and actions	✓
Develop an urban heat island plan	
Develop an urban forests strategy	
Develop an integrated water cycle management plan that considers climate change threats, impacts, opportunities, and actions on biodiversity	
In regional areas, investigate how climate change could impact agriculture and sustainable land use	✓
Develop an incentive program to encourage land owners to protect and enhance biodiversity	
Develop a tree inventory and management system to assess health, future planting options and canopy cover	✓
Engage the community on how climate change will affect future vegetation selection and planting in the municipality	
Develop biolinks across the municipality	
<b>Purchasing and contracting category</b>	

Develop a sustainable procurement policy including guidance on environmental evaluation criteria	✓
Do a spend analysis and identify opportunities for a sustainable procurement plan	
Set targets for sustainable green spends	
Monitor and report on targets	
Include environmental evaluation criteria in quotes and tenders	✓
<b>Culture and leadership category</b>	
Encourage staff to TAKE2	
Set up an environment team to identify ways to reduce emissions at work	
Help councillors and staff reduce emissions by providing environmental professional development	
Promote Council's environmental programs to the community	✓
Community Encourage the community to TAKE2	
Feature climate change in Council publications	
Establish a community environmental advisory committee	
Give residents guidance on environmental design and retrofits	
Develop a rate rebate scheme for energy efficiency and solar features	
Work with developers to support distributed renewable energy in new developments	
Support renewable energy bulk-buys for the community	
Establish an environmental upgrade agreement or rates payback mechanism for commercial buildings	
Support community owned renewable energy generators and retailer	



## **Financial and Resource Implications**

There are no additional financial implications of participating in the Take 2 program, aside from what Council is already doing to reduce its carbon emissions. Implementations from the 2018 energy audits are to be funded by a \$100,000 grant from the Victorian Government and matching Council funding already committed in the 2019/20 budget.

## **Legislation, Council Plan and Policy Impacts**

Relevant legislation:

- Climate Change Act 2017 (Department of Environment, Land, Water and Planning, Victoria)
- The report's recommendation supports the Victoria Government's objective to reduce the state's greenhouse gas emissions by 15 to 20 per cent (below 2005 levels) by the year 2020, setting Victoria on the path to net zero emissions by 2050.

It also supports Council's objective in Council Plan 2017-21:

- Strategy 4.1.4 Reduce Council's carbon and ecological footprint

## **Risk Management**

The Take 2 pledge program benefits the community by demonstrating that Council takes its environmental responsibilities seriously and is a good corporate citizen. It also shows the community how they can contribute to carbon emissions reduction as a number of the Take 2 actions relate to community activities.

There are no material risks to Council by participating in the program. Financial constraints may prevent Council from undertaking as many actions as we would like but many of the actions can be done without a significant additional budget.

## **Environmental and Sustainability Considerations**

Participating in the Take 2 program will improve Council's environmental performance through reduced carbon emissions and thereby improve Council's sustainability.

Participation will also enhance Council's reputation in sustainability terms and raise Council's profile as an environmentally responsible Victorian municipality.

## **Community Consultation and Communication**

The community will be informed through the regular Council news channels and a media release. Information will be placed on the Sustainability page of the Council website.

## **Disclosure of Interests**

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

**RECOMMENDATION**

That Council participates in the Take 2 greenhouse gas reduction pledge program.

**COUNCIL RESOLUTION**

**MOVED: Cr Dunkley**

**SECONDED: Cr McAdam**

**That Council participates in the Take 2 greenhouse gas reduction pledge program.**

**CARRIED**

## 10.11 56-18 Hamilton Gateway Business Park

**Directorate:** David Moloney, Director Shire Infrastructure  
**Author:** StJohn Lees, Acting Manager Assets  
**Attachments:** None

### Executive Summary

Tender 56-18 Hamilton Gateway Business Park is a Design and Construction tender which has been advertised and close on the 17 December 2018. Budget for the project is \$4 million. Grant funding of \$500,000 from Regional Development Victoria (RDV) has time based milestones attached that are unlikely to be extended.

Two tender submissions were received on Monday 17 December 2018, and evaluated on Wednesday 19 December 2018. Post tender discussion were held with the preferred tender on Thursday 20 December 2018 to clarify their submission and discuss their understanding of the works.

At the December 12, 2018 Ordinary Meeting of Council it was resolved that the award of the tender be delegated to the Mayor and CEO of Southern Grampians Shire Council with a report to be circulated to Councillors for comment prior to award.

The tenders were assessed against various criteria and it was recommended that:

1. Tender 56-18 Design and Construct Contract for the Hamilton Gateway Business Park be awarded to Lake and Land Pty Ltd for a Lump Sum price of \$3,760,000, inclusive of GST.
2. This report be circulated to Councillors for feedback.
3. Based on feedback from Councillors the Mayor and CEO advice Councillors and the Director of Shire Infrastructure of their decision.
4. Should the contract be awarded that the contract documents be signed and sealed when prepared

Award was granted to Lake and Land Pty Ltd on 10<sup>th</sup> January 2019 by joint decision of Mayor and CEO as previously enabled by council.

### Discussion

Hamilton Gateway Business Park proposed lots range between 1,800m<sup>2</sup> and 6,800m<sup>2</sup> in area to allow a range of uses associated with construction, manufacturing, fabrication, repairs and some professional goods and services. The proposed plan of subdivision includes a 1,800m<sup>2</sup> drainage reserve to store stormwater run-off and improve water quality.

A 3<sup>rd</sup> party Developer is required to **Design and Construct** all required permanent and temporary works.

The Scope of the Project includes twenty-three (23) lots and the construction of:

- a new road within the unmade government road reserve and associated drainage works;
- internal roads and associated drainage works for:
  - two (2) 'primary access' roads;
  - two (2) 'secondary access' roads.
- upgrades to Hamilton-Port Fairy Road and associated drainage works for:

- road widening and left and right turn-in and vehicle queuing lanes at the intersection of Hamilton-Port Fairy Road and the latitudinal primary access road and associated drainage works;
- a new landscaped median; and

Hamilton Gateway Business Park proposed lots range between 1,800m<sup>2</sup> and 6,800m<sup>2</sup> in area to allow a range of uses associated with construction, manufacturing, fabrication, repairs and some professional goods and services. The proposed plan of subdivision includes a 1,800m<sup>2</sup> drainage reserve to store stormwater run-off.

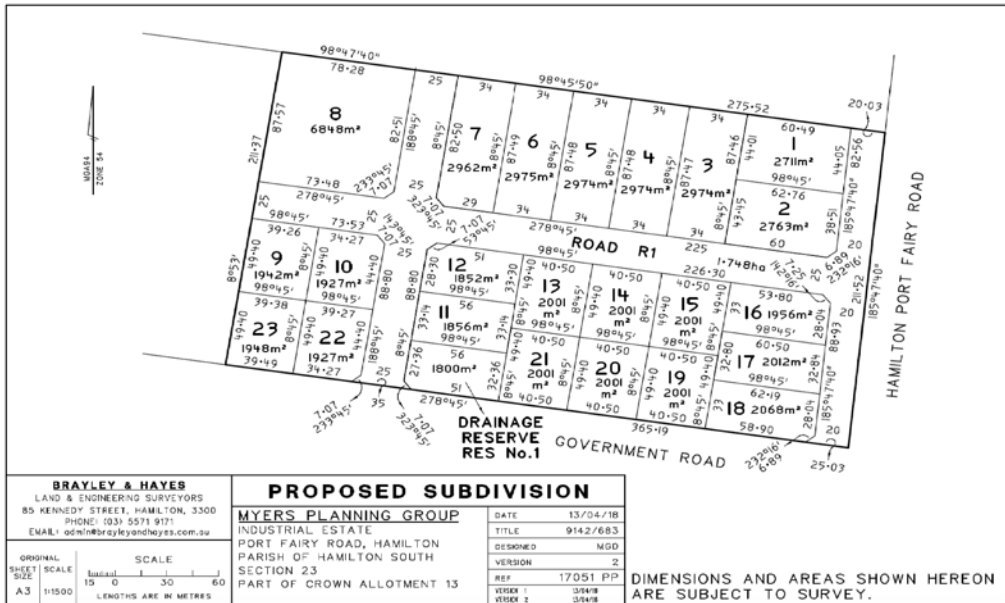
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The Scope of the Project includes twenty-three (23) lots and the construction of:

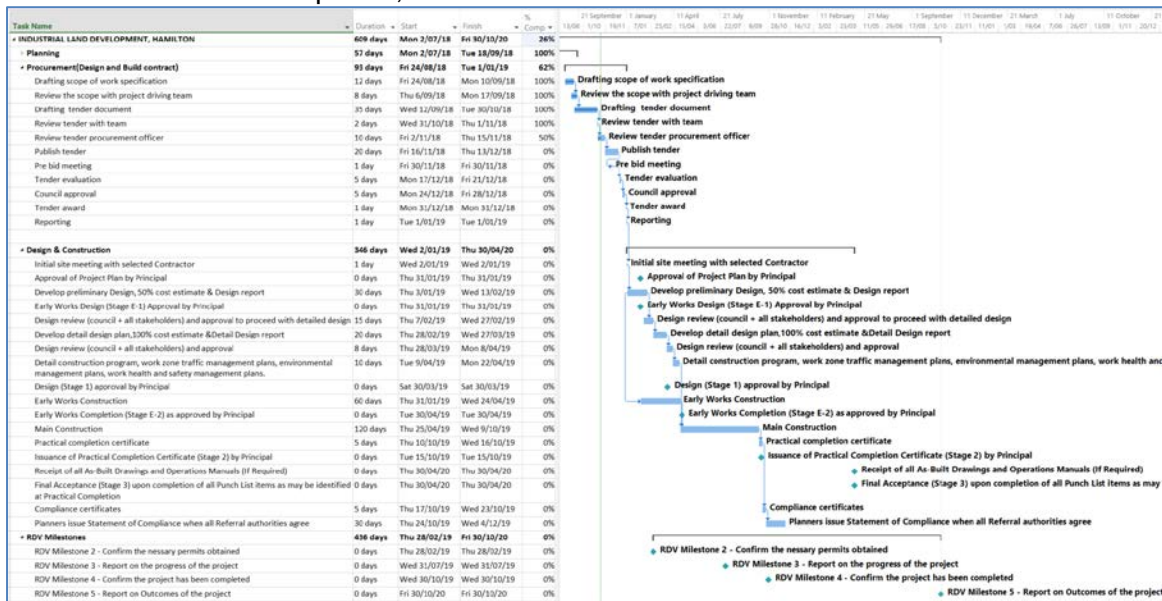
- a new road within the unmade government road reserve and associated drainage works;
- internal roads and associated drainage works for:
  - two (2) 'primary access' roads;
  - two (2) 'secondary access' roads.
- upgrades to Hamilton-Port Fairy Road and associated drainage works for:
  - road widening and left and right turn-in and vehicle queuing lanes at the intersection of Hamilton-Port Fairy Road and the latitudinal primary access road and associated drainage works;
  - a new landscaped median; and



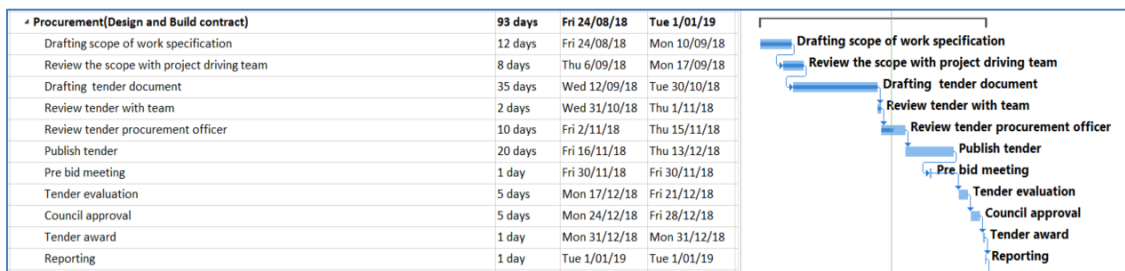
- a drainage detention basin;
- bioswales and water sensitive urban design features;
- significant landscaping along internal and external road verges/nature strips and medians; and
- essential services and trunk infrastructure (reticulated sewer, water, gas, power, telecommunications, optic-fibre and street lighting)



To meet the tight timeline for development the scope has been programmed into an Early Works and Main Works phase, as detailed below.



Timelines for tendering and award are tight as shown below;



The anticipated contract award is the first working day after the New Year Break on the 2<sup>nd</sup> January 2019.

## Tender Evaluation

Two (2) tender submissions were received on Monday 17<sup>th</sup> December 2018, and evaluated both Qualitatively and Quantitatively as detailed below;

Company Name	Qualitative Score(%)	Moderated Total Price	Quantitative Score(%)	Total Score
Lake & Land Pty Ltd	32.54%	\$3,760,000.00	50.00%	82.54%
Keystone Civil	38.2%	\$6,067,404.20	30.99%	69.19%

The tender panel members decided to hold a post tender meeting with the preferred tenderer via a teleconference. Post tender discussion were held on Thursday 20<sup>th</sup> December 2018 to clarify their submission and discuss their understanding of the works.

Furthermore one of three reference checks have been carried out as of the timing of the writing of this report. The remaining reference checks will be carried out at the next possible business day.

## Financial and Resource Implications

The budget for the project is \$4,043,259, of which \$500,000 has been granted from RDV. RDV has 5 milestones of which we have already completed the first and received an initial \$250,000 in funding on the 1<sup>st</sup> Feb 2018. The remaining \$250,000 is also subject to meeting milestones.

Based on the Lake and Land Pty Ltd submission and project expenditure to date;

Item	Description	Amount \$
1	Expenditure to Date	\$30,333--
2	Council Responsible Planned Future Expenses	\$198,890--
3	Lake and Land Pty Ltd – Lump Sum	\$3,418,181--
4	<i>Budget*</i>	<i>\$4,043,259--*</i>
	Variance (Under Budget)	\$395,854--

Assuming Lake and Land Pty Ltd Lump Sum tender price of \$3,760,000 (\$3,418,181 Ex GST), and their declared Milestone Payments Schedule, the expected expenditure during the period FY18/19 is estimated to be \$376,000. The internal SGSC budget for works in FY18/19 is \$1,650,000.

\*The project budget is based on an original estimate provided by Meinhardt Engineering on \$3.3M in 2015 which has subsequently been escalated in the Long Term Financial Planning process to \$4,043,259.

In summary, the project is estimated to be under budget by \$395,854, with cash flows to be better than anticipated for FY18/19. There is an external government road which is out scope for this tender but is required to be built and would require some of the remaining budget to construct.

## Legislation, Council Plan and Policy Impacts

All works are to be procured in accordance with the Local Government Act (1989).

This project supports the Council Plan strategic objective 2.3.1 to “Facilitate and Encourage Business Capacity and Development”.

SGSC’s Procurement and Governance Policy and Processes will be followed in this award of Contract

### **Risk Management**

The benefits/risks associated with this decision are to:

- Risk-Not meeting the RDV Milestones and risking non-payment of the remaining \$250,000 grant funding.
- Risk-Not allowing the full council to review the recommendation for award.
- Benefit-Meeting project development timeframes.

### **Environmental and Sustainability Considerations**

The scope of this tender includes element for Water Sensitive Urban Design (WSUD). Lake and Land Pty Ltd is experience in over 10 years of WSUD projects in Victoria.

### **Community Consultation and Communication**

The Council’s recommendation to award will be communicated following the design by the normal communication channels, including a media release.

Community consultation was taken at the stage 1 and 2 in development of Industrial Land Strategic Plan.

### **Disclosure of Interests**

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

The following Council Officers participated on the evaluation panel;

- David Moloney, Director of Shire Infrastructure
- StJohn Lees, Acting Manager Assets
- Daryl Adamson, Strategic Major Projects Coordinator

## **RECOMMENDATION**

That Council note the report.

## **COUNCIL RESOLUTION**

**MOVED:** Cr Calvano  
**SECONDED:** Cr Sharples

**That Council note the report.**

**CARRIED**

## 10.12 Bioenergy Industrial Development Feasibility

**Directorate:** David Moloney, Director Shire Infrastructure  
**Author:** Kylie McIntyre – Sustainability Coordinator  
**Attachments:** 11. Final Report – Enecon Bioenergy Feasibility Study D/19/6476

### Executive Summary

A feasibility study was undertaken by Council in 2017-18 to investigate the feasibility of generating heat, steam and/or electricity from wood waste including plantation timber residue, on Council-owned industrial land in Hamilton for industrial use.

There are many environmental, social and economic benefits of a bioenergy development in Hamilton and Council is uniquely placed to facilitate such an enterprise which would be funded by a third-party investor.

The study provided costings for heat and electricity production and an analysis of fuel availability, which indicate that a plant that produces heat only would be financially more attractive than one that generates electricity.

It is recommended that Council:

1. Endorses the Feasibility Study and makes the report public on the Council website
2. Promotes the project widely in order to identify users of industrial heat and potential investors
3. Continues to investigate development of a mini-grid and sale of electricity
4. Reserves the allotment on the north-west corner of the industrial land for the bioenergy development, to be reviewed depending on demand for the land.

### Discussion

Southern Grampians Shire Council undertook a feasibility study in 2017-18 to investigate the feasibility of generating heat, steam and/or electricity from wood waste including plantation timber residue, on industrial land in Hamilton for industrial use. The study commenced on 11 December 2017 and was completed by the intended date (end of November 2018).

The study was funded by the Department of Environment, Land, Water and Planning (DELWP) with a \$50,000 grant through the New Energy Jobs Fund.

Southern Grampians Shire is uniquely placed for a bioenergy development with excellent access to a fuel supply from the surrounding bluegum plantations and with Council in control of the industrial land development in Port Fairy Road.

The purpose of the work was to understand the challenges and opportunities for attracting industry to and creating jobs in the Shire, through the provision of industrial energy from a renewable and sustainable source to replace use of fossil fuels. The study focused on the 7.55 ha of Industrial zoned land owned by Council in Port Fairy Road, Hamilton. The study was intended to lay the foundation for a future unique development that aggregates a waste product and converts it into clean renewable energy, to create ongoing sustainable jobs in the shire.

A suitably experienced and qualified consultant was sought using Council's usual tendering process. The successful tenderer was Enecon Pty Ltd, a small consultancy based in Melbourne who was selected because of their practical experience and very good reputation



within the sector. Their draft report was critiqued by an independent bioenergy expert who was satisfied with their conclusions.

The main fuel considered in the study was residue (waste) from plantation bluegum harvesting. Currently many thousands of tonnes per annum of plantation timber residue are burned in situ after harvest within 50 km of Hamilton, wasting a vast source of renewable fuel. There is also a substantial volume of other waste wood in the region (senescent farm trees, parks and gardens woody material, disposable pallets) that could be utilised as a fuel to replace gas for industrial energy. The price of gas is increasing rapidly and we expect issues in the future with supply as domestic gas supplies are used to meet export LNG commitments. Provision of a low emission and affordable supply of industrial energy is potentially a way to attract industry with high heat/energy requirements to move to Hamilton.

The site could be configured to produce heat only, electricity only, or a combination of heat and electricity. For heat only the type of technology envisaged is a heat distribution reticulation grid or loop that takes thermal oil or steam to the users on the site, fuelled by a conventional furnace-boiler designed to be fired with chipped wood from plantation harvesting residues or other waste wood. For electricity production, steam would be produced in the boiler and fed to a turbine-alternator, then the electricity produced can be used on-site or fed into the grid.

The site proposed by Council for the bioenergy facility, a block of 6800 square metres on the north-west corner of the industrial land, was found to be of adequate size to receive and store fuel and accommodate all the necessary structures. The site was designed to receive fuel with B-doubles and adequate space has been allowed for these large vehicles. The independent reviewer found the selected allotment problematic but it was chosen by Council because it is the least attractive to potential buyers, being at the back of the site and far from highway frontage. The site is reserved for the bioenergy plant at present but if there is very high demand for industrial sites this will need to be reviewed.

Two scenarios were examined – a 5MW heat-only system which would produce and reticulate steam to users around the site and a 10MW plant that would generate 2.1 MW of electricity. The combustion technologies recommended for use at the site are commonly used in other countries and are readily available and well understood. The volume of fuel and costs associated with the fuel were assessed by the consultant using their proprietary in-house model so it was not possible for Council to check the calculations but they were deemed reasonable by the forestry industry representative on the steering committee. The capital cost of both options was provided with enough detail to satisfy Council although the independent reviewer found the 14.8% contingency somewhat generous. The model takes into account variables such as finance options, cost of fuel, plant utilisation time, operating and maintenance costs and value of energy production.

In summary the modelling showed that the site could produce industrial heat at half the cost of natural gas, provided that the plant operates close to 24/7. The challenge is to attract users of the heat whose demand can be matched to the available supply.

Electricity production, whilst technically possible, is less financially attractive and the cost of producing electricity at the site would exceed the cost from wind turbines or large solar generation plants. Because the other sites on the industrial estate will be on separate titles, it is not possible to adopt a behind-the-meter approach to electricity sales so there would need to be access to the Powercor grid and consequently network charges would be applicable.

Construction of a mini-grid within the industrial estate so that the electricity could be sold to nearby users would potentially allow the network and transmission charges to be avoided. Council has initiated discussions with private sector peer-to-peer electricity developers to

gain a better understanding of the options, constraints and associated costs. These have proved difficult to quantify, partly because the whole field of mini-grids and peer-to-peer electricity trading is in its infancy and in a state of constant change.

Following the study Council now has a far better understanding of the costs and revenue that can be expected from the two options examined and it is clear that the better financial opportunity comes from producing heat rather than electricity. The difficulty is that for optimal financial performance, the plant would need to be producing and selling heat consistently 24 hours per day, 7 days per week and it is a considerable challenge to match customers to constant heat production.

The potential benefits from a bioenergy development on the industrial land are numerous:

- attracting industries with cost-effective industrial heat and/or electricity
- Avoids the need for businesses to use natural gas which is becoming more expensive and less available
- greenhouse gas emissions reduction and the opportunity for “green” branding
- job creation through the supply chain for biomass fuel (harvesting, processing, transport)
- value-adding to the plantation forestry sector which is already a major employer in the region
- the opportunity for an alternative land-use for the region’s farmers to grow trees for boiler fuel
- the opportunity for a beneficial use for plantations damaged by fire or other damage
- reduction of nuisance air pollution from burning forestry residue in the field
- the opportunity for Southern Grampians to become an innovator in the emerging bioenergy sector.

The next steps needed for the development to progress are for Council to:

1. Seek users of industrial heat
2. Continue to investigate mini-grid and sale of electricity
3. Continue talks with potential investors
4. Make public the Feasibility Study and promote the project
5. Reserve the allotment on the north-west corner of the industrial land for the bioenergy development, to be reviewed depending on demand for the land.

### **Financial and Resource Implications**

The Study was funded by DELWP who provided a grant of \$50,000 which Council supported with a contribution of \$10,000. There is no further expenditure from Council required as the Study has concluded and the grant from DELWP has been acquitted.

A private sector or other third-party investor would be required to construct the plant. A 5MW heat only plant is costed at \$4.92 million and a 10 MW electricity plant (output 2.1 MW electricity) is costed at \$18.2 million. The modelling carried out in the study assumed a commercial rate of 15% return on equity.

The consultant also suggested that a community energy group may fund the project but at this stage we do not have an understanding of the level of interest in the local community for a bioenergy project.

There are no immediate financial resource implications for Council if the recommendations are adopted. There will be time and effort needed from the relevant staff to promote the project and investigate potential users and investors.

## **Legislation, Council Plan and Policy Impacts**

A bioenergy development would support the following strategies within the 2017-21 Council Plan:

- 2.3.2 Support the attraction and retention of a skilled workforce
- 4.2.4 Attract businesses to low carbon manufacturing opportunities by leveraging from the region's natural advantages such as wind and biofuel availability
- 4.3.3 Examine ways to maximise re-use of waste as a resource
- 4.4.2 Facilitate local investment in renewable energy projects, including in Council buildings and operations

## **Risk Management**

There are no material risks to Council from adopting the recommendations in the report. In the development of the project there remains inherent financial and physical risks in developing a bioenergy facility. Given that Council has no prior experience in the direct development of such a facility, it is not recommended that Council not be directly involved as anything more than a facilitator. It is envisaged that Council would provide the opportunity for a third-party investor to develop the plant by allowing space for it on the industrial land and seeking suitable users.

## **Environmental and Sustainability Considerations**

The environmental benefits of a bioenergy plant are significant because energy (heat or electricity) derived from wood chips is almost completely carbon neutral, provided the trees are replanted or allowed to re-grow. This is because the output of carbon dioxide from burning the wood chip fuel is matched by the carbon removed from the atmosphere by photosynthesis in growing plantations. For this reason bioenergy is recognised under the Kyoto Protocol. The plant would offset the use of fossil fuels – a heat only plant would replace natural gas and an electricity plant would replace brown coal and thereby reduce greenhouse gas emissions.

## **Community Consultation and Communication**

It is recommended that the feasibility study is made public on the Council website so that the community may have access to the information. The report has already been provided to the Victorian Government (DELWP) which was a condition of funding.

## **Disclosure of Interests**

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

**RECOMMENDATION**

That Council:

1. Endorses the Feasibility Study and makes the report public on the Council website;
2. Promotes the project widely in order to identify users of industrial heat and potential investors; and
3. Continues to investigate development of a mini-grid and sale of electricity.
4. Reserves the allotment on the north-west corner of the industrial land for the bioenergy development, to be reviewed depending on demand for the land.

**COUNCIL RESOLUTION**

**MOVED:** Cr McAdam

**SECONDED:** Cr Sharples

That Council:

1. **Endorses the Feasibility Study and makes the report public on the Council website;**
2. **Promotes the project widely in order to identify users of industrial heat and potential investors; and**
3. **Continues to investigate development of a mini-grid and sale of electricity.**
4. **Reserves the allotment on the north-west corner of the industrial land for the bioenergy development, to be reviewed depending on demand for the land.**

**CARRIED**

## 11 Notices of Motion

There were no Notices of Motion listed on tonight's agenda.

## 12 Delegated Reports

Reports on external Committees and Representative Bodies for which Councillors have been appointed as a representative by Council.

## 13 Mayors and Councillors Reports

Address from the Mayor and Councillors in relation to matters of civic leadership and community representation, including acknowledgement of community groups and individuals, information arising from internal Committees, advocacy on behalf of constituents and other topics of significance.

## 14 Confidential Matters

**RECOMMENDATION**

That the following items be considered in Closed Council as it deals with matters specified in Section 89(2)(d) of the Local Government Act 1989.

### 14.1 Waste Service – Offsite Disposal Options

**COUNCIL RESOLUTION**

**MOVED:** Cr Calvano  
**SECONDED:** Cr McAdam

That the following items be considered in Closed Council as it deals with matters specified in Section 89(2)(d) of the Local Government Act 1989.

#### 14.1 Waste Service – Offsite Disposal Options

**CARRIED**

**RECOMMENDATION**

That the Meeting go back in to Open Council.

**COUNCIL RESOLUTION**

**MOVED:** Cr Calvano  
**SECONDED:** Cr Sharples

That the Meeting go back in to Open Council.

**CARRIED**



## 15 Close of Meeting

This concludes the business of the meeting.

Meeting closed at 6:49 pm.

Confirmed by resolution 13 March 2019.

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Chairman