



Southern Grampians
SHIRE COUNCIL

Council Meeting Agenda

Ordinary Meeting
11 September 2019

To be held at 5.30pm in the
Council Chambers,
3 Market Place, Hamilton.

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1 Membership

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

3 Prayer

4 Apologies

5 Confirmation of Minutes

RECOMMENDATION

That the Minutes of the Ordinary Meeting of Council held on 14 August 2019 be confirmed as a correct record of business transacted.

6 Declaration of Interest

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 are 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 by no later than 5pm on the Monday 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 a copy, either electronically or hard copy 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 are 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:

- Cavendish Community Engagement Meeting/Listening Post – 3 July 2019
- Planning Committee – 13 August 2019
- Briefing Session – 14 August 2019
- Briefing Session – 28 August 2019

This agenda was prepared on 4 September 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.

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Cavendish Community Engagement Session (Listening Post)
Date:	3 July 2019
Location:	Bunyip Hotel
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Katrina Rainsford Cr Greg McAdam Cr Albert Calvano
Council Staff in Attendance:	Michael Tudball, Chief Executive Officer Evelyn Arnold, Director Community & Corporate Services Andrew Goodsell, Director Shire Futures Melanie Russell, Community Engagement Coordinator Jane Coshutt, Community Engagement Coordinator Rohit Srivastava, Manager Assets

The Assembly commenced at 5.00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Budget 2019/20 Submissions	None declared.
2	Recycling and waste management	None declared.
3	Street Tree Management Plans	None declared.
4	2041 Project	None declared.
5	HRLX Updates	None declared.

The Assembly concluded at 7.00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Planning Committee
Date:	13 August 2019
Location:	Martin J Hynes Auditorium
Councillors in Attendance:	Cr Colin Dunkley Cr Katrina Rainsford
Council Staff in Attendance:	Andrew Goodsell, Director, Planning and Development Rhassel Mhasho, Manager Planning and Regulatory Services Roslyn Snaauw, Coordinator Planning Sharon Clutterbuck, Executive Assistant, Director Shire Futures

The Assembly commenced at 2.45pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	TP/33/2019 Two lot subdivision 369 Noskes Subdivision Road HENSLEY PARK Crown Allotment 3 Section 8, Crown Allotment 4 Section 5 Parish of KANAWALLA.	Nil

The Assembly concluded at 4.21pm



Southern Grampians
Shire Council

ASSEMBLY OF COUNCILLORS

ASSEMBLY DETAILS	
Title:	Council Briefing Session
Date:	14 August 2019
Location:	MJ Hynes Auditorium
Councillors in Attendance:	Cr Mary-Ann Brown, Mayor Cr Chris Sharples, Deputy Mayor Cr Albert Calvano Cr Colin Dunkley Cr Greg McAdam Cr Katrina Rainsford
Council Staff in Attendance:	Michael Tudball, Chief Executive Officer Evelyn Arnold, Director Community and Corporate Services David Moloney, Director Shire Infrastructure Andrew Goodsell, Director Planning and Development Hugh Koch, Manager Economic Development and Tourism Daryl Adams, Strategic Projects Officer StJohn Lees, Manager Projects Kylie McIntyre, Sustainability Coordinator Susannah Milne, Manager Community and Leisure Services

The Assembly commenced at 10:30am

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	CBD Revitalisation Workshop	Nil
2	Cox Street Briefing	Nil
3	Street Tree Management Plan	Nil

4	Designated Area Migration Agreement Project	Nil
5	Kerbside Waste Collection Modelling	Nil
6	Swimming Pools <ul style="list-style-type: none">• End of Season Update• Asset Management Plan• Pool Policy	Nil
7	Health and Fitness Briefing	Nil

The Assembly concluded at 5:00pm

ASSEMBLY OF COUNCILLORS



Southern Grampians
Shire Council

ASSEMBLY DETAILS	
Title:	Council Briefing Session
Date:	28 August 2019
Location:	MJ Hynes Auditorium
Councillors in Attendance:	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
Council Staff in Attendance:	Michael Tudball, Chief Executive Officer Evelyn Arnold, Director Community and Corporate Services David Moloney, Director Shire Infrastructure Andrew Goodsell, Director Planning and Development Rohit Srivastava, Manager Asset Susannah Milne, Manager Community and Leisure Services Russell Bennett, Manager Business Systems Lachy Patterson, Manager Community Relations

The Assembly commenced at 12:00pm

MATTERS CONSIDERED		CONFLICTS OF INTEREST DECLARED
1	Building Portfolio	Nil
2	Rail Freight Alliance	Nil
3	Maternal Child Health Service Review	Cr Armstrong
4	DISA 19 Review – Update	Nil
5	Greater Grants Round 1	Cr Rainsford

6	Art Gallery Way Forward	Nil
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The Assembly concluded at 4:45pm

10 Management Reports

10.1 Response to Budget Submissions to the 2019/20 Budget

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Evelyn Arnold, Director Community and Corporate Services
Attachments: None

Executive Summary

In accordance with the *Local Government Act 1989*, Council adopted its Budget for 2019/20 on 20 June 2019. At this time, the budget report was updated to include consideration of the budget submissions that had been received.

This report contains the recommendation for a formal response to each of the budget submissions be sent as detailed in the table.

Discussion

At its Special Meeting held on 24 April 2019 Council resolved to give notice of the preparation of the Draft Budget for 2019/2020.

In accordance with Section 223 of the *Local Government Act 1989* submissions were invited by placement of a notice in the Hamilton Spectator and on Council's website. The closing date for receipt of submissions was Monday 27 May 2019.

Eleven submissions were received in response to the public notice advising of the preparation of the Draft Budget, Strategic Resource Plan 2019/20-2022/23 and Pricing Register and these have been circulated to Councillors.

The submissions received commented on broad issues such as:

- Rate and revenue management,
- Funding of Councils programs and priorities as set in the Council Plan,
- Capital Works program and
- General financial management observations.

In accordance with the provisions of Section 223 the opportunity is provided for submitters to speak to their submission if they so choose.

At the Special Council Meeting held on 12 June 2019, eight people took the opportunity to speak to their submissions.

A summary of the specific submissions and the recommended response are listed below. They are;

Submission Provided By	Submission Topic	Formal Response
Mr Colin Harman	Upgrade Kurtze's Road	Report presented at the August Ordinary Meeting of Council and then a letter to communicate this outcome.
Coleraine Sports Ground Committee	Turnbull Street Tennis/Netball/Hockey Facility	Letter sent confirming (as per the Council Resolution) Turnbull Street, support \$356,000 insurance fund with further work to be done on community led projects.
Mr Ian Overall	Upgrade Kurtze's Road	Report presented at the August Ordinary Meeting of Council and then a letter to communicate this outcome.
Cavendish Recreation Reserve Inc	Replacement of amenity facility	Report was provided to July Ordinary Meeting of Council. Committee has been informed of this outcome
Mr Paul Battista	General Submission on Budget Process	Letter sent acknowledging the submission.
Mr Daryl O'Flaherty	Rehabilitation Doling Road	Letter sent acknowledging the submission.
Mr John Lyons	Rates Rural Properties	Letter sent acknowledging the submission.
Tarrington Progress Association	Extension of the Walking Track	Report presented at the August Ordinary Meeting of Council and then a letter to communicate this outcome.
Mr Mark Williams	Rates Rural Properties	Letter sent acknowledging the submission.
Good Shepard College School Council	Bike/Walking Track	Letter sent confirming (as per the Council Resolution) the project will be scoped and brought back to Council for consideration
CR Katrina Rainsford	Rating Policy	Letter sent acknowledging the submission.
	Recreational Vehicle Friendly Shire	
	Cavendish Recreation Reserve Amenities	
	Pedrina Park Hockey Clubrooms	

Financial and Resource Implications

The budget adoption resolution passed at the Special Meeting on 20th June included an approach to being able to support some of the identified projects whilst not impacting on the total adopted budgeted income or expenditure.

Legislation, Council Plan and Policy Impacts

The recommendations are consistent with Councils strategic plans and have no legislative impact.

Risk Management

These projects are expected to be of benefit to the community and there are no additional risks identified.

Environmental and Sustainability Considerations

Nil

Community Consultation and Communication

No further consultation was required for this report.

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 endorse the recommendation for a formal response to each of the budget submissions received as outlined in the table below;

Submission Provided By	Submission Topic	Formal Response
Mr Colin Harman	Upgrade Kurtze's Road	Report presented at the August Ordinary Meeting of Council and then a letter to communicate this outcome.
Coleraine Sports Ground Committee	Turnbull Street Tennis/Netball/Hockey Facility	Letter sent confirming (as per the Council Resolution) Turnbull Street, support \$356,000 insurance fund with further work to be done on community led projects.
Mr Ian Overall	Upgrade Kurtze's Road	Report presented at the August Ordinary Meeting of Council and then a letter to communicate this outcome.
Cavendish Recreation Reserve Inc	Replacement of amenity facility	Report was provided to July Ordinary Meeting of Council. Committee has been informed of this outcome
Mr Paul Battista	General Submission on Budget Process	Letter sent acknowledging the submission.

Mr Daryl O'Flaherty	Rehabilitation Doling Road	Letter sent acknowledging the submission.
Mr John Lyons	Rates Rural Properties	Letter sent acknowledging the submission.
Tarrington Progress Association	Extension of the Walking Track	Report presented at the August Ordinary Meeting of Council and then a letter to communicate this outcome.
Mr Mark Williams	Rates Rural Properties	Letter sent acknowledging the submission.
Good Shepard College School Council	Bike/Walking Track	Letter sent confirming (as per the Council Resolution) the project will be scoped and brought back to Council for consideration
CR Katrina Rainsford	Rating Policy	Letter sent acknowledging the submission.
	Recreational Vehicle Friendly Shire	
	Cavendish Recreation Reserve Amenities	
	Pedrina Park Hockey Clubrooms	

10.2 Greater Grants

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Lachy Patterson, Manager Community Relations
Attachments: None

Executive Summary

This report provides Council with information regarding community grant applications (Tourism and Events, Sustainability, Community Strengthening, Community Infrastructure, Arts and Culture categories) that have been recommended for Greater Grants program funding.

Discussion

The Greater Grants program was established to deliver Council grants that are responsive to the needs and opportunities of the community, inclusive and equitable to all, and one that facilitated the flexible delivery of key strategies identified within the Council Plan 2017-2021 across the social, economic and environmental spectrum.

This program consolidates Council's extensive range of grant opportunities into one program to enable better integration and co-ordination of grant administration and improved marketing of those grant opportunities.

Greater Grants assistance is considered for organisations, groups, committees and individuals with proposals that directly benefit the Southern Grampians Shire region. Applications are assessed using pre-determined evaluation criteria for each grant category taking into consideration strategic objectives within the Council Plan, other Council Strategies and Community Plans.

The current round of grants includes six grants above delegation totalling \$35,888.50 and 22 grants under delegation across the following categories (Tourism and Events, Sustainability, Community Strengthening, Community Infrastructure and Arts and Culture) totalling \$42,531.56.

Below is the summary of grant applications received in round one, which requested funds above \$2,500. The application's total is \$35,888.50

Category	Applicant/Project	Ask amount	Funding amount	Total Project Cost
Tourism and Events	Cavendish Red Gum Festival – Promotion, Marquee Hire	\$ 6,638.50	\$ 6,638.50	\$ 40,000.00
Infrastructure	Hamilton Bridge Club – Technical Equipment (Resubmit)	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00
Infrastructure	Dunkeld Rec Reserve – Shower upgrades (Bathroom)	\$ 6,500.00	\$ 6,500.00	\$ 13,330.00
Infrastructure	Dunkeld Public Lands – Timber edging around playground	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
Infrastructure	Coleraine P&A – Electrical upgrade	\$ 9,000.00	\$ 9,000.00	\$ 18,000.00
Infrastructure	Penshurst Racecourse Clubhouse – Restumping (Pony Club)	\$ 4,950.00	\$ 4,950.00	\$ 9,900.00
Total		\$ 35,088.50	\$ 35,088.50	\$ 97,230.00

Below is the summary of grant applications received in round one, which requested funds under \$2,500. The application's total is \$42,531.56.

Category	Applicant/Project	Ask amount	Funding amount	Total Project Cost
Community Strengthening	International Rural Women's Day - CWA Event	\$ 1,586.82	\$ 1,586.82	\$ 6,131.22
Community Strengthening	Cavendish Fleece & Flower Show - Printed entry brochure	\$ 560.00	\$ 540.00	\$ 2,820.00
Community Strengthening	CBL - HBA - Court Hire	\$ 2,500.00	\$ 2,500.00	\$ 12,075.00
Community Strengthening	U3A - Compilation of Poetry	\$ 1,670.90	\$ 1,670.90	\$ 1,670.90
Community Strengthening	Vic Valley Old Time Dance - Music (Resubmit)	\$ 2,400.00	\$ 2,400.00	\$ 4,800.00
Arts and Culture	Battle Against Mental Health - Mural (Resubmit)	\$ 2,296.00	\$ 2,296.00	\$ 2,296.00
Arts and Culture	Chameleon Arts - Artist in Residence	\$ 2,500.00	\$ 2,500.00	\$ 3,000.00
Tourism and Events	Tarrington Laternenfest - Fireworks	\$ 2,500.00	\$ 2,500.00	\$ 10,840.00
Tourism and Events	Pedal Car Grand Prix - Purchase of a pedal car	\$ 2,500.00	\$ 2,500.00	\$ 14,200.00
Tourism and Events	Hamilton Brass – Venue hire and catering of event	\$ 2,413.00	\$ 2,413.00	\$ 2,413.00
Tourism and Events	St Mary's Christmas Expo - Traffic Management	\$ 950.00	\$ 950.00	\$ 950.00
Tourism and Events	Hamilton Eisteddfod – Spring roadshow	\$ 2,500.00	\$ 2,500.00	\$ 6,360.00
Tourism and Events	Hamilton Fun Run - Traffic Management	\$ 1,166.00	\$ 1,166.00	\$ 5,491.50

Sustainability	Hamilton Field Naturalists Club – Tree stakes	\$ 1,752.00	\$ 2,057.00	\$ 3,523.00
Sustainability	Cavendish Scouts – Citizen Science Program	\$ 500.00	\$ 248.95	\$ 1,500.00
Sustainability	Friends of Yatmerone - 10 th Anniversary event	\$ 2,500.00	\$ 2,500.00	\$ 8,830.00
Infrastructure	Balmoral Mechanics Institute – PA Equipment	\$ 2,500.00	\$ 2,500.00	\$ 3,657.00
Infrastructure	Hamilton Men’s Shed - Heater	\$ 2,500.00	\$ 2,500.00	\$ 3,845.00
Infrastructure	Coleraine Men’s Shed - Carapook Hall Sign	\$ 428.00	\$ 428.00	\$ 428.00
Infrastructure	Woodhouse Hall - Defib Machine	\$ 2,399.00	\$ 2,399.00	\$ 2,399.00
Infrastructure	Hamilton Cycling Club - Split System	\$ 2,500.00	\$ 2,500.00	\$ 3,550.00
Infrastructure	Kangaroos FNC - Tiered seating and marquees	\$ 1,909.84	\$ 1,909.84	\$ 4,909.84
Total		\$ 42,531.56	\$ 42,565.51	\$ 105,689.46

Financial and Resource Implications

The collaborative approach across Council grant categories opens opportunities for Council to work with the community to broaden the scope of ideas identified within applications to position these projects and or events to leverage external funding.

Applications for \$2,500 or greater must demonstrate cash or in-kind contributions and must provide evidence of cash held, or applicants must be able to demonstrate their financial capacity to complete the project.

The grant amount approved by Council cannot be increased post-funding approval. In the case of a funding shortfall, funding will not be made available by way of a Council loan.

Legislation, Council Plan and Policy Impacts

The Greater Grants Policy was adopted in July, 2018.

Each Grant category requests that applicants ensure that their project or idea demonstrates a link to the Council Plan outcomes, or endorsed Strategic Plans of Council. Such plans include but are not limited to:

- Economic Development Strategy
- Tourism Strategic Plan
- Disability Action Plan
- Health and Wellbeing Strategy
- Sustainability Strategy
- Arts and Culture Strategy

The Greater Grants program assists Council to deliver on key outcomes of the Council Plan 2017-2021.

Outcome 1.1 Soundly Based Decisions:

Strategy 1.1.2 Develop and enact policies, plans and strategies to ensure consistency in decision making

Strategy 1.1.3 Demonstrate leadership through ethically, socially and environmentally responsible conduct

Strategy 1.1.4 Work together to develop a highly responsive Council organisation

Outcome 1.3 Financial Responsibility and Security:

Strategy 1.3.3 Maintain a continuous improvement approach to all Council operations

Outcome 2.3 A strong, innovative and distinctive tourism sector:

Strategy 2.3.1 Attract conferences and events to the Shire and facilitate and enrich the local events program

Strategy 2.3.2 Enhance, facilitate and promote existing and new experiences

Outcome 3.2 Community appreciation of and participation in Arts and Cultural activities:

Strategy 3.2.4 Encourage and support innovation in the arts

Outcome 4.2 A Dynamic Community:

Strategy 4.2.1 Provide support and services to enable communities to flourish

Strategy 4.2.2 Support the growth, development and provision of training to volunteers and community organisations

Strategy 4.2.3 Providing the information and assistance that supports community empowerment

Strategy 4.2.4 Assisting all communities to realize their individual community identity, strengths and opportunities through the development and implementation of Community Plans

Outcome 4.3 An inclusive and diverse community:

Strategy 4.3.2 Provide opportunities for youth participation and development

Outcome 5.1 Waste Management and Minimisation

Strategy 5.1.1 Reduce the volume of waste going to landfill

Strategy 5.1.4 Increase the volume of recycled materials through continued community education programs

Outcome 5.2 Adaptation to climate change and reduced emissions:

Strategy 5.2.2 Reduce carbon emissions from Council facilities, equipment and plant

Risk Management

Each grant category has predetermined assessment criteria and a set weighting for each criteria to identify and assess the risk exposure within each application. The assessment criteria ensure that projects and events have adequate control measures in place to ensure the successful and safe delivery

Each grant applicant must also demonstrate that they comply with any legal or statutory regulations relevant to the project which they are seeking Greater Grants funding. This includes (where relevant) appropriate insurances, food handling permits, liquor licences etc.

Environmental and Sustainability Considerations

No Environmental and Sustainability Considerations identified.

Community Consultation and Communication

Various Council staff engage with the community in relation to the Greater Grants program at a range of meetings (including Councillor Engagement, Progress Association, club and user groups, committee of management and, event organiser meetings, etc). Staff also engage with applicants on a 1:1 basis, to provide support through the Greater Grant process.

Grant recipients across all categories are required to complete a grant acquittal report. As part of the acquittal, Council seeks feedback from the grant recipient on ways in which the delivery of grants to the community could be improved.

The Annual Tourism and Events Forum, held in June each year, provides an opportunity for Greater Grants applicants to hear the latest updates about the program, provide feedback to grant owners, and learn how to get the best outcome from their application.

The decision will be communicated through a media release to the general public, via letters to the Grant recipients and through Council's Community Newsletter and township newsletters. The successful applicants will be notified by phone call and mail, and successful projects will be promoted on Council's 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. Notes the \$42,531.56 for Greater Grants approved under delegation.
2. Resolves to allocate \$35,888.50 as per the projects outlined in the summary table below.

Category	Applicant/Project	Ask amount	Funding amount	Total Project Cost
Tourism and Events	Cavendish Red Gum Festival – Promotion, Marquee Hire	\$ 6,638.50	\$ 6,638.50	\$ 40,000.00
Infrastructure	Hamilton Bridge Club – Technical Equipment (Resubmit)	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00
Infrastructure	Dunkeld Rec Reserve – Shower upgrades (Bathroom)	\$ 6,500.00	\$ 6,500.00	\$ 13,330.00
Infrastructure	Dunkeld Public Lands – Timber edging around playground	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00
Infrastructure	Coleraine P&A – Electrical upgrade	\$ 9,000.00	\$ 9,000.00	\$ 18,000.00
Infrastructure	Penshurst Racecourse Clubhouse – Restumping (Pony Club)	\$ 4,950.00	\$ 4,950.00	\$ 9,900.00
Total		\$ 35,088.50	\$ 35,088.50	\$ 97,230.00

10.3 Final 2018 - 2019 Financial & Performance Statements

Directorate: Evelyn Arnold, Director Community and Corporate Services
Author: Belinda Johnson, Manager Finance
Attachments: 1. Annual Financial Report 2018/2019
2. Performance Statement 2018/2019
3. Governance and Management Checklist 2018/2019

Executive Summary

The *Local Government Act 1989* (LGA) requires that Council must pass resolutions giving approval in principle to the annual financial and performance statements and the Local Government Performance Reporting Framework Governance and Management Checklist, and authorise two Councillors to certify the statements in their final form after any changes recommended or agreed to by the Auditor General have been made.

It is recommended that the Cr Brown and Cr Dunkley as the councillor members of the Audit & Risk Committee, be authorised to certify the statements.

Discussion

The financial statements form part of Council's Annual Report. The Financial Statements, Performance Statement and Governance & Management Checklist are each prepared in accordance with the requirements of the LGA and the applicable accounting standards.

They are audited by McLaren Hunt on behalf of the Auditor General Victoria and presented to Council's Audit and Risk Committee. When finalised they are formerly certified by the Auditor General. The statements are also signed by the Chief Executive Officer and the Principal Accounting Officer.

The Statements have been audited by McLaren Hunt, presented to the Audit & Risk Committee on 4 September 2019 and the Victorian Auditor General's Office (VAGO) has given clearance for the Statements to be signed in their final form on 11 September 2019.

Financial and Resource Implications

There are no financial implications in this process. The statements outline financial performance for the year but costs in their production are part of normal operating expenditure.

Legislation, Council Plan and Policy Impacts

Council Plan – Provide Governance & Leadership – 5.1.2 Ensure responsible, effective and efficient use of Council resources.

Sections 131 and 132 of the LGA and the Local Government (Planning and Reporting) Regulations 2014 outline the process required to be followed in the certification of the annual statements.

Risk Management

The draft statements have been presented to Council's Audit and Risk Committee on Tuesday 4 September 2019.

Environmental and Sustainability Considerations

N/A

Community Consultation and Communication

There is no requirement for community engagement however the documents form part of Council's Annual Report which is a publicly available document. When prepared, the availability of the Annual Report is advertised.

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. Approve the 2018/2019 Financial Statements, Performance Statement and Governance & Management Checklist.
2. Appoint Cr Brown and Cr Dunkley to certify the statements in their final form.

10.4 Planning Committee

Directorate: Andrew Goodsell, Director Planning and Development
Author: Andrew Goodsell, Director Planning and Development
Attachments: 4. Planning Committee Minutes – 13 August 2019.

Executive Summary

The Minutes from the Planning Committee meeting held on 13 August 2019 and endorsed by members of the Committee are presented to Council for information.

Discussion

The Planning Committee was established as a Special Committee of Council in March 2016 in accordance with Section 86 of the *Local Government Act 1989*.

The Planning Committee gives consideration to the following:

- All planning permits valued between \$1 million and \$5 million (or less if the officer is recommending refusal)
- All planning permits that receive between three and five objections
- All applications where the officer is recommending refusal
- All planning scheme amendments that clarify or correct mistakes in the Planning Scheme (applied for under Section 20(4) of the Planning and Environment Act).
- Whether applications should be referred to the full Council for decision.

Legislation, Council Plan and Policy Impacts

The *Planning and Environment Act 1987* provides that certain local government authority, responsibility and functions can be delegated to Committees of Council or Council Officers.

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 Minutes of the Planning Committee Meeting held on 13 August 2019 be received.

10.5 Hamilton Gallery Business Case

Directorate:	Andrew Goodsell, Director Planning and Development
Author:	Andrew Goodsell, Director Planning and Development
Attachments:	5. Attachment A - Consultant Brief Specifications 6. Attachment B Confidential - Business Case v9 7. Attachment C - Communications Strategy 8. Attachment D - Draft Stakeholder Update 9. Attachment E - Regional Snapshot of Art Galleries in Victoria 10. Attachment F - Frequently Asked Questions

Executive Summary

Council has operated a gallery at Brown Street Hamilton on behalf of the community since 1961. It houses one of the most valuable art collections in regional Victoria, valued at \$23M (2017/18 figure). Most of that collection is in storage due to building limitations with available wall space. No significant investment has been made in the gallery since 1973, resulting in a building that does not meet industry standards, customer expectations and jeopardises future State funding via grants. Attendance figures are static, reflecting these pressures and events are not obtained because of the lack of investment, the most recent being Midawarr Harvest scheduled for mid 2019 (lost due to inadequate lighting, climate control, access arrangements and security). These issues are well understood and documented.

To address this, in February 2017 Council resolved to issue a brief for a scoping study and masterplan for a new Hamilton Gallery (NHG). Denton Corker Marshall (DCM) were the successful consultant. The brief called for the following, with key aspects highlighted in bold:

*'A key deliverable of the project is to provide community consultation, economic modelling and focused conceptual drawings which realise the vision of a **new world-class Gallery** for the Southern Grampians Region. Such a building would function to attract metropolitan, intrastate and tourist markets to Hamilton and **motivate overnight stays to the area**. This project provides an opportunity to create a new point of interest in Hamilton which has the ability to put Hamilton on the map, significantly, linking the CBD of Hamilton into the Great Southern Touring Route so that Hamilton CBD becomes a pivotal destination for anyone travelling in the South West region. A **stand-alone Hamilton Gallery**, with a building of architectural significance, is needed to drive tourist visitation to Hamilton, completing the circuit of: The Great Ocean Road, Budj Bim, Hamilton Gallery and The Grampians. These four cornerstones can help build a successful regional tourism strategy.'*

The brief clearly states the investment is for a significant stand-alone building asset that brings tourists to Hamilton.

Subsequently, after examining 23 separate sites against a range of criteria it was recommended by DCM that the southern end of Lake Hamilton (site 9) be identified as the preferred site for a new Hamilton gallery. It was some \$10m cheaper than a new building at Brown Street.

This recommendation was put to Council and resolved in December 2018 as follows:

1. Progress future planning and detailed site assessment on the delivery of the NHG at the southern end of Lake Hamilton, in accordance with the recommendations and findings set out in the information provided by Denton Corker Marshall architects.

2. Not proceed with any further investigation of a site for the Hamilton Gallery within Hamilton CBD.
3. Progress with the delivery of the project generally in accordance with the brief for the project issued to Denton Corker Marshall with the next step being a detailed business case.
4. Inform stakeholders accordingly of its decision

Between December 2018 and now DCM Architects and its sub-consultant Barry Sweeney have prepared a business case on the NHG, as per the resolution passed in late 2018. That work comprises the following elements:

- Section 1: An extensive executive summary of 19 pages including a project summary (page 6), investment logic map (page 17) and other relevant information on catchment demand, income and expenses.
- Section 2: An overview of all relevant government policies.
- Section 3: An analysis of the proposal including visitor profile, operations analysis, bed night capacity and sensitivity analysis (testing different visitation scenarios).
- Section 4: Methodology.
- Section 5: Implementation of proposal – including timelines and key steps.

Notwithstanding the Council resolution of December 2018 confirming the NHG site, some ongoing discussion about the value of the Brown Street site for an upgraded gallery has continued. To address this, the financial benefit of spending \$10m to upgrade the existing facility has also been modelled (there were three scenarios - 'do nothing', spend \$10m on upgrading the existing gallery and build a new gallery at Lake Hamilton).

From this work the following key conclusions are identified from the business case and further ongoing research:

1. The existing art collection in Hamilton is the most valuable in regional Victoria per head of population (twice the value of the nearest competitor, Ballarat). It is therefore a significant asset deserving of a suitable home.
2. The collection is regional in scale but displayed as essentially only a local attraction, failing to leverage off its value to the wider world. 16,206 of the 23,748 visitations were local in 2017/18. Local demand is important but to grow (with a largely static population) needs other market growth – visitors.
3. The existing art gallery has little or no future to house the existing collection, let alone new acquisitions. Already over 90% of what has been collected (9,000 items) is in storage and cannot be displayed due to lack of wall space. The existing gallery does not meet museum standards and poses a risk without substantial re-investment in protecting the existing collection. Due to current standards it is also resulting in loss of major events including the recent Midawarr Harvest Festival. The 'do nothing' scenario, remaining in the current Brown Street building results in a benefit cost ratio (BCR) of 0.601, meaning the asset will generate significant costs and liabilities to the community on an ongoing basis.
4. Any investment, of \$10M at the Brown Street site will have little economic benefit to the community (measured as gross regional product, GRP) as the building is

fundamentally flawed with respect to its usability for art display and storage and is not in a location that gives maximum customer experience/amenity. The Brown Street site BCR is 0.74. Such an investment, beyond lack of return to the community also brings major disruption, with likely closure of 1-2 years.

5. The Lake Hamilton site achieves a significant GRP benefit and this is reflected in a BCR of 1.662. Any BCR over 1 is considered positive when seeking partner funding. The positive BCR is achieved on the basis of international and Melbourne visitation increasing from around 4,000 visits p.a to over 44,000 pa (year 1). The key markets to gain this attendance are the visitors through Great Ocean Road, Budj Bim (now Unesco listed as an indigenous world heritage site) and Grampians National Park. The vast majority of visitors to these great assets currently bypass Hamilton, meaning they are on the doorstep of Hamilton but do not travel into Hamilton itself.
6. The new gallery would deliver 2.5 times the display area of the existing gallery. It would meet all industry standards. As a tourist asset it would not only be respectful of the existing collection and those families who donated into it, but attract events and activities that create opportunity for overnight stays. A new gallery would increase bed nights from the current 65% occupancy rate to over 80%. The gap in high end accommodation in Hamilton would be addressed by new project investment opportunities – demand pushing supply. The visitor spend on retail, food and entertainment would see new jobs created, likely in the range of 12 in year 1 (post construction), with 17 in year 2, with more to follow. The economic contribution of the gallery to the local economy would increase from \$745,945 (2018/19) to \$9,251,669 (year 1 operations). The construction jobs alone are measured at 314. To put this in perspective, the post construction jobs created would, by year 3 be the equivalent of the EFT figures at a bulky goods retailer, one of the larger employers in Hamilton.
7. The State Government has recognised that regional tourism in Victoria is characterised by lack of visitor spend (relative to the rest of Australia). This is due to lack of key investments in strategic locations. 3.5M visitors travel within 100km of Hamilton. Only 230,000 visit Hamilton. It is the collection, the building and the events that can be delivered in the building that see reversals of these missed opportunities.
8. The cost of the new gallery at Lake Hamilton is projected by DCM Architects and their quantity surveyor at \$62.3M. The Council contribution would be likely \$10m, with the balance to be sourced from State/Federal Government, philanthropists and key art interests. The Council contributions are of a similar magnitude to that provided by Horsham and Shepparton to their new cultural arts facilities.
9. The operational costs for the NHG will increase from \$741,565 (2017/18) to \$1.146M (excl maintenance) in year 1 of operations. This is due to increased staffing and other on-costs, with EFT increasing from 5.25 to 12 in year 1.

Key issues flagged in the business case that will be critical to managing risk involved in a project of this significance include securing generous philanthropic support as well as support at a State/Federal level. Resolving how best to market the NHG in terms of indigenous heritage, both local and within the region are vital as is marketing Hamilton as an overnight stay as part of a modified Great Southern Touring Route (that includes Hamilton).

The recommendations made are as follows:

- A. Confirm that stage 3 milestone being the business case as per the Consultant Brief (**Attachment A**) has been met.

- B. Endorse the business case version 9 dated 7 August 2019 (**Attachment B**) as suitable for ongoing negotiation with key financial stakeholders to fund NHG at the Lake Hamilton site.
- C. Deliver a communications strategy (**Attachment C**) which updates the community on the decision reached by Council, confirming a business case has been prepared that shows a positive benefit cost ratio for the Lake Hamilton site and the ongoing manner in which the community can be involved in the project (generally in accordance with **Attachment D**).
- D. Recognise that cultural arts are critical to the health and wellbeing of the local community, for those who live in the Shire as well as those who may wish to move into the Shire. The lack of investment in Hamilton for over 46 years, now needs to be addressed if the gallery collection valued at \$23M is to be protected and managed into the future.
- E. Make provision for \$10M in the Council 10 year Long Term Financial Plan, beginning 2020/21 towards construction of a new Hamilton gallery, located at Lake Hamilton. This funding is to be made available should the balance of funding as identified in the business case be secured from other funding partners. A progress report on securing external funding is to be provided within 2 years of this resolution to Council, confirming funds and pledges secured and whether the commitment as set out in the business case (\$62.3M) is realistic or requires modification of the project brief to reduce costs to a level that can be realistically financed.
- F. Make provision for an increase in operational costs for a new gallery if or when it is constructed, generally in accordance with the costs set out in the business case.
- G. Provide in-principle commitment to Council putting capital aside towards a new gallery, beginning in financial year 2020/21 to substantially reduce any borrowings required for the new gallery. A report is to be provided separately to Council prior to 30 June 2020 on the quantum of such a commitments and how they can be achieved.

Discussion

This section of the report is divided into the following key elements:

- How is the project tracking against milestones as set out in the project scope?
- Matters inside and outside project scope
- What is the role of a business case
- Key findings of the business case v9
- Regional Context - other relevant information
- Local Context – the value and investment made in cultural arts

How is the project tracking against milestones as set out in the project scope?

The project brief as issued had 5 stages as per **Attachment A**. Presently, progress is identified as follows:

Stage	Task	Status
1	Master plan – examine existing facility, limitations, strengths, establish vision for new facility	Completed
2	Scoping the project – review sites, examine costs, identify site for new gallery	Completed
3	Business Case	Completed
4	Schematic Drawings	Completed
5	Funding Submissions	Next stage – critical priority

Table 1: Project Stages

Matters inside and outside project scope

During the course of preparing the business case there has been feedback as to what additional matters should be addressed in the business case. The role of the business case will be covered shortly.

Additions to the business case, to clarify aspects of the project include the following:

- Sensitivity analysis – various assumptions on market capture of tourists to the region to test financial assumptions, including low, medium and high visitation rates (added in version 3).
- Additional operating costs data (added in version 4).
- New data on Budj Bim visitation as well as Geelong Gallery and cross-promotional activities. Three scenarios for investment provided and modelled – ‘do nothing’, \$10m at Brown Street and deliver Lake option (added in version 7).
- Completely updated visitation data and modelling using 20 years of visitation (added in version 9).

Showing the link between the business case and concept drawing set, as a result of further geotechnical work at Lake Hamilton on the dam wall, the building has been modified to step back several metres from the wall edge, with piers only into bedrock. The positioning of the building relative to natural features is now also plotted as a result of detailed land survey. The schematic drawings have been updated accordingly.

What has not been included in the business case or the concept drawing set due to being out of project scope or impractical for safety reasons are the following:

- Dive platforms off the gallery into the Lake (safety/outside scope).
- Wall climbing opportunities (safety/outside scope).
- Showing a carpark on the VicRoads office site (land now owned by Council).
- Solar panel locations on the building (outside scope).
- Detailed design of the carpark – what is shown is feasible but subject to further civil design (outside scope).
- Project governance for next phases of the work (outside scope).
- Funding structures to secure philanthropic support (outside scope).

Evident in preparing the business case is the need to clarify the stages of project management, when final design occurs and how community engagement is delivered. Figure 1 shows typical project management stages. The Council resolution is step 1 – initiation. The project is now at the end of Stages 2, with most of the basic planning undertaken – where built, cost, building functionality. It is the launch and execution, including funding which occurs in stage 3 (aspects of which are discussed later in this report

– see communications plan). Risk management is an aspect of stage 2, the development of fund raising organisations such as Foundations fitting in this category. A number of steps follow thereafter, with renewed effort required in stakeholder and public engagement.



Figure 1: 5 Steps of Project Management (source: <https://www.smartsheet.com/blog/demystifying-5-phases-project-management>)

Ample opportunities for community engagement on the design solution are available throughout the project, with the process steps for this project set out below (Figure 2).

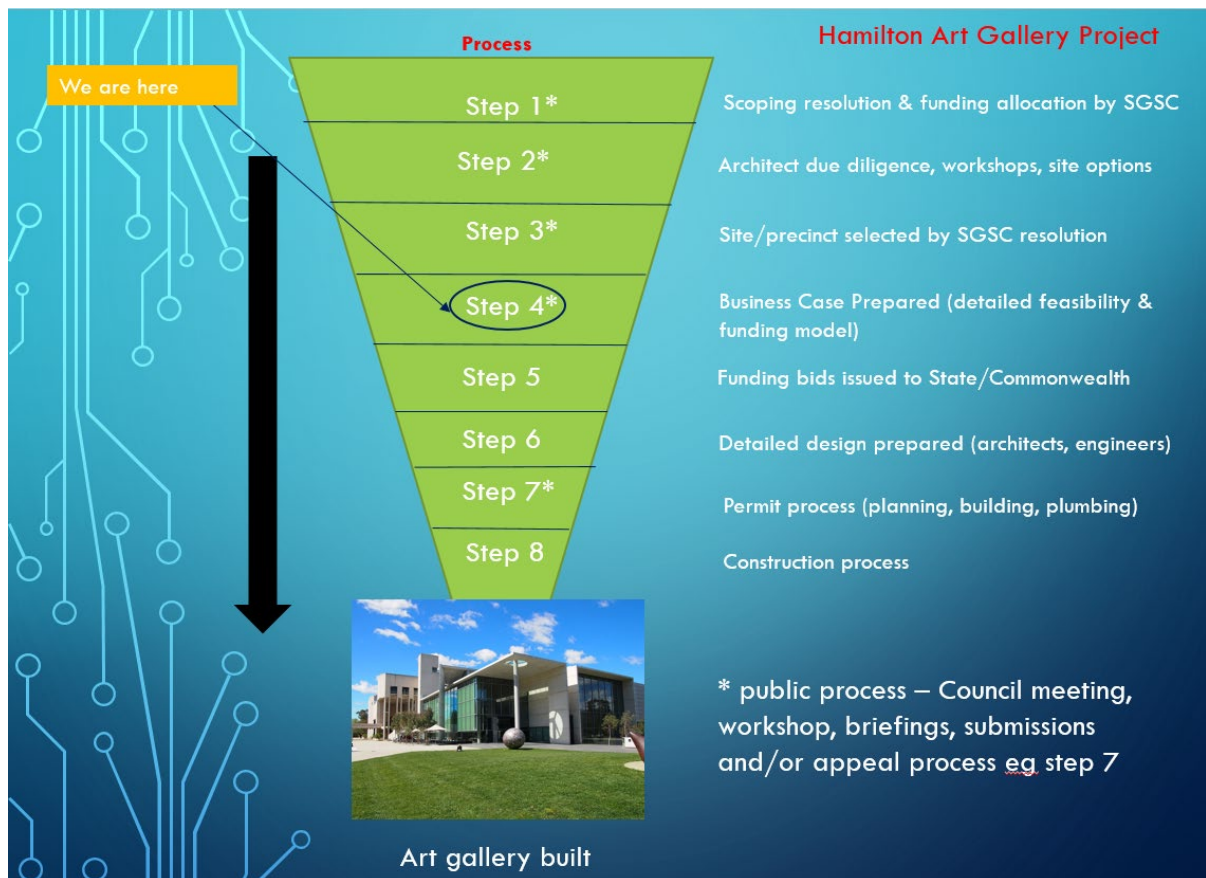


Figure 2: Stages of the project

What is the role of a business case?

A business case is a technical document, used by Council in securing funding from State/Federal Governments and philanthropic interests. The document is highly sensitive in nature. As discussed, the business case has been upgraded and modified over the last 5-6 months to address specific issues raised by Council. There is a limit to how far a business case can venture (for instance they do not cover asset replacement costs or governance).

What is being used to leverage funding support is not the subject of public debate, even though it does inform the project in many respects. If Council wants to communicate key aspects of the work done, this is best communicated through newsletters, drop-in sessions and through other means as set out in the communications plan (**Attachment C**) and timely updates (see **Attachment D**). That could include an executive summary version of the business case as occurred with Shepparton on their SAM project.

The business case is not a tool used to develop a community consensus. That instead is the role of Council as owners of the collection and as owners of the process behind building a new gallery as per the February 2017 resolution.

Key findings of the business case v9

These are captured in the project summary (page 6).

Project title:	A New Hamilton Gallery located at Lake Hamilton			
Project description:	<i>Revitalising Hamilton and the Southern Grampians Shire</i>			
Location / address:	Hamilton, Victoria			
Estimated total project cost:	\$62.36 m			
Sources of funds:	Forecast period	Year -2 to 0	Year 1	Year 2
		Capital	Operating	Operating
Sources				
nHG operating income			\$727,237	\$1,113,917
Southern Grampians Shire	\$10,000,000	\$1,146,777		\$1,268,154
Victorian Government	\$20,000,000	\$211,042		\$232,146
Australian Government	\$20,000,000			
Philanthropists (a)	\$10,000,000			
nHG Foundation (a)	\$2,359,000	\$162,108		\$178,318
Total Sources	\$62,359,000	\$2,247,164		\$2,792,535
Applications of funds:	Forecast period	Year -2 to 0	Year 1	Year 2
		Capital	Operating	Operating
Design, construction and management cost ¹	\$62,359,000			
New HG operating cost			\$2,247,164	\$2,792,535
Total Costs	\$62,359,000		\$2,247,164	\$2,792,535

Table 2: Sources & Applications of Funds

Primary asset:	Art collection valued at \$23m (2017/18).	
Investment summary:	<ul style="list-style-type: none"> • NPV +\$40.832m • BCR 1.662 • Ref: financial model V9.0 dated 20 August 2019 	
Economic impact:	<p>Additional GRP:</p> <ul style="list-style-type: none"> • \$39.8m (during construction) • \$1.5m (Year 1) • \$2.2m (Year 2) <p>Total Additional Output:</p> <ul style="list-style-type: none"> • \$119m (during construction) • \$4.6m (Year 1) • \$6.5m (Year 2) <p>Population increase 593 (construction)</p>	<p>Additional direct jobs:</p> <ul style="list-style-type: none"> • +175 (during construction) • +7.0 (Year 1 nHG total 10.5) • +2.0 (Year 2 nHG total 12.5) <p>Additional indirect jobs:</p> <ul style="list-style-type: none"> • +314 (during construction) • +12.2 (Year 1) • +17.4 (Year 2)
Relevant region / partnership:	<ul style="list-style-type: none"> • Southern Grampians Shire • Great South Coast Regional Partnership 	
Target period for construction:	1 October 2021 to 31 March 2023 (18 months)	
Target dates for operational start:	Fitout / commission from 1 April 2023 to commence operations 1 July 2023	

Table 3: Economic Impact

A full copy of the business case is provided in **Attachment B**.

Regional Context - other relevant information

Beyond the regional context, especially of tourism and marketing which lies at the heart of the business case, there is a context of cultural arts and how these are delivered.

Attachment E delivers a snapshot of regional art galleries in Victoria. It indicates a number of salient matters:

- It is widely recognised by local government as generally the owner and manager of galleries in regional Victoria that investment in appropriate facilities is required and appropriate.
- Major redevelopments including relocation of facilities has occurred at Shepparton (complete 2020), Horsham (completed 2015), Ararat (completed 2018). Geelong and Warrnambool are looking at new galleries in coming years.
- Planning including business cases to construction often has taken 5-7 years (Horsham was 5 years, Shepparton was 6 years).
- Some of the new galleries have leveraged off water assets (Swan Hill, Shepparton).
- Council have been a key investor in facilities (Shepparton= \$10M, Ararat = >\$3M, Albury = \$6.3M, Wodonga = \$6M)

A number of galleries have been through both major and minor upgrades across the last 20 years (Ballarat, 2001 & 2011; Mildura, 2006 and 2019).

Each Council has its own priorities however the evidence is that other galleries with often less valuable collections than Hamilton have been investing, developing their brand and points of difference and benefitting accordingly.

Local Context – the value and investment made in cultural arts

Inevitably, with a project involving the costs suggested in the business case, local context is important. That messaging may involve discussions on bed nights, visitor economies.

Under-utilised assets is an ongoing issue in the Shire – whether in retail spaces vacated or towns with capacity for more population.

Many of the questions, which need to be addressed in the communications plan, are addressed in **Attachment F**. The business case also addresses some of these issues, as do other sources:

- With 40,565 more visitors from region/overseas into the Shire in year 1, spending \$6.3M p/a accommodation, food and retail demand will grow.
- Bed nights demand increases from 65% occupied (now) to 81% occupied (year 1). Demand also for new high end accommodation investment.
- Broad economic benefits arise and will be felt locally. The Grace Kelly exhibition in Bendigo brought 150,000 visitors and a one-off injection of \$16m to the local economy. Key events every 2 years in Hamilton are planned.
- Tourism is vital to regional Victoria’s economy. 85,600 jobs in regional Victoria are in tourism. 63% of this is food, retail and accommodation. Yet regional Victoria gains only 36c in the dollar of tourist spend, compared to 43c across Australia. This is largely due to lack of attractions and experiences for these markets. A world class gallery is a key attractor.
- Creative clusters (museums, galleries etc) are instrumental in population attraction and retention. 57% of visitors to a region arrive only because of events. Galleries provide these events.
- SheppARTon Festival in 2005 saw average spend of \$250 per night for accommodation, \$130 for food and beverage and almost \$200 for other experiences including retail. These are the wider opportunities a gallery brings.
- Real estate benefits – increased house prices near key cultural assets.
- Social benefits – feeling valued, respected differences, volunteer support, education.

The argument that a gallery should not be at the expense of something else can and will occur. Budgeting is however always a balance of priorities. As indicated earlier, funding the maintenance and upgrade of the current gallery has not been a priority for 46 years. It is not analysed in the business case, but the following graphic shows where Council investment has occurred over the last 5 years.

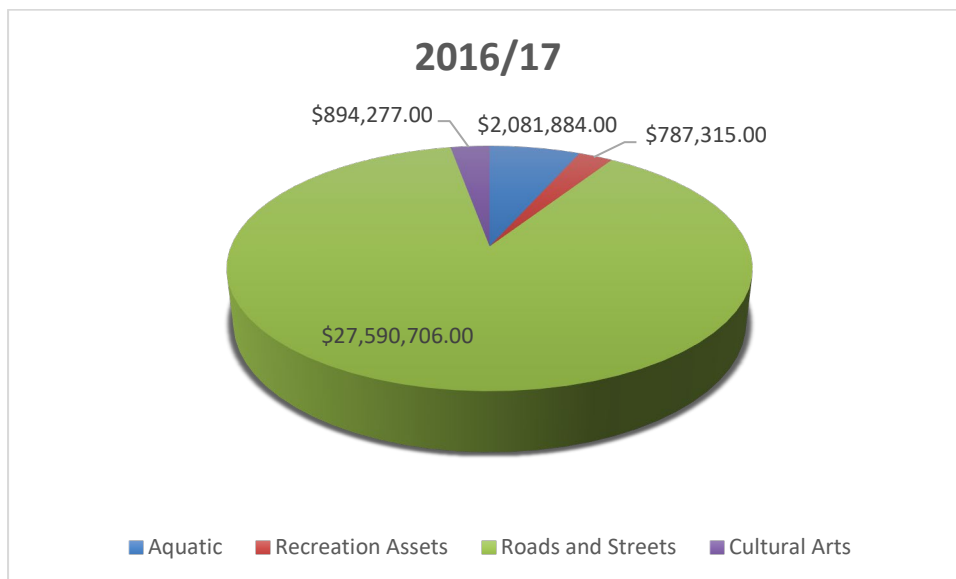


Figure 3: 2016/17 actual spend

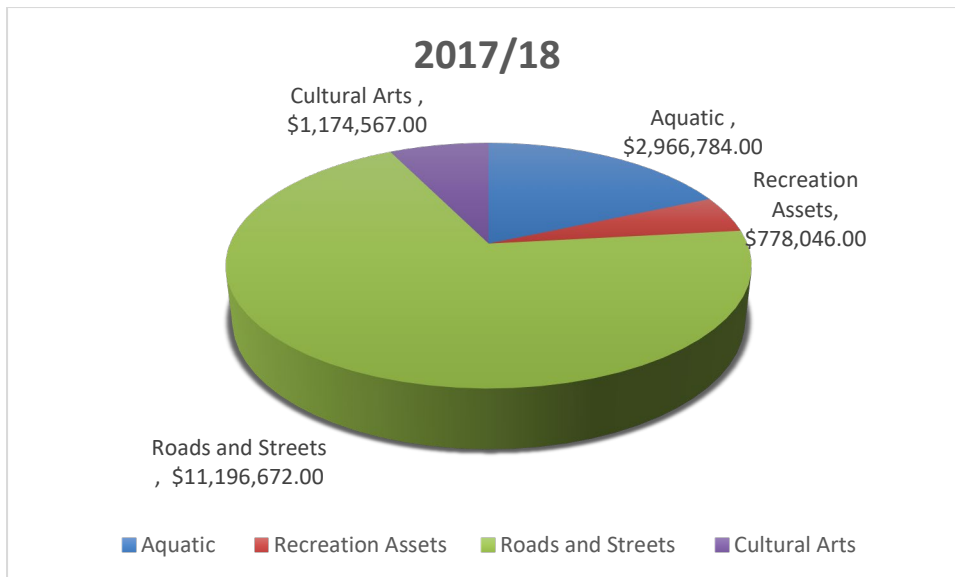


Figure 4: 2017/18 actual spend

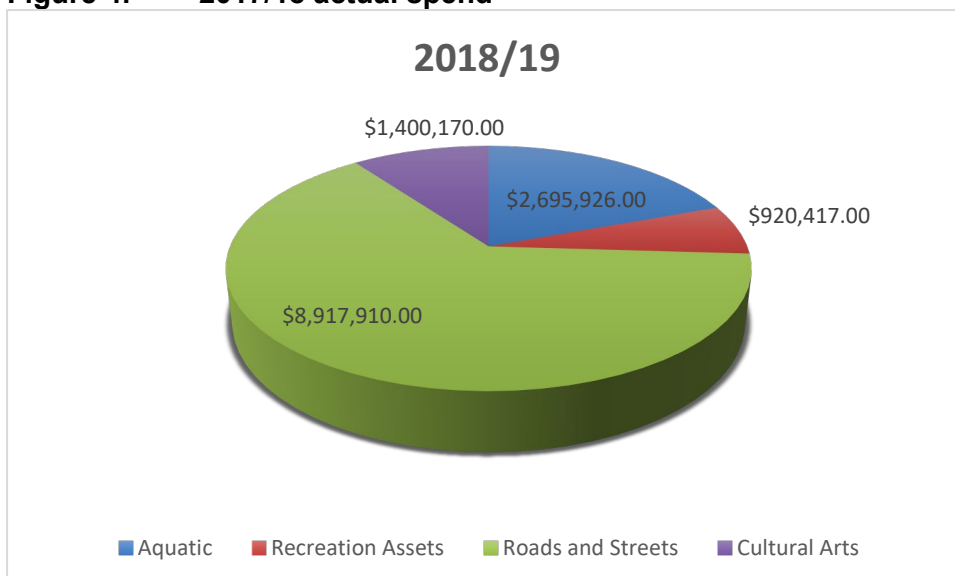


Figure 5: 2018/19 actual spend

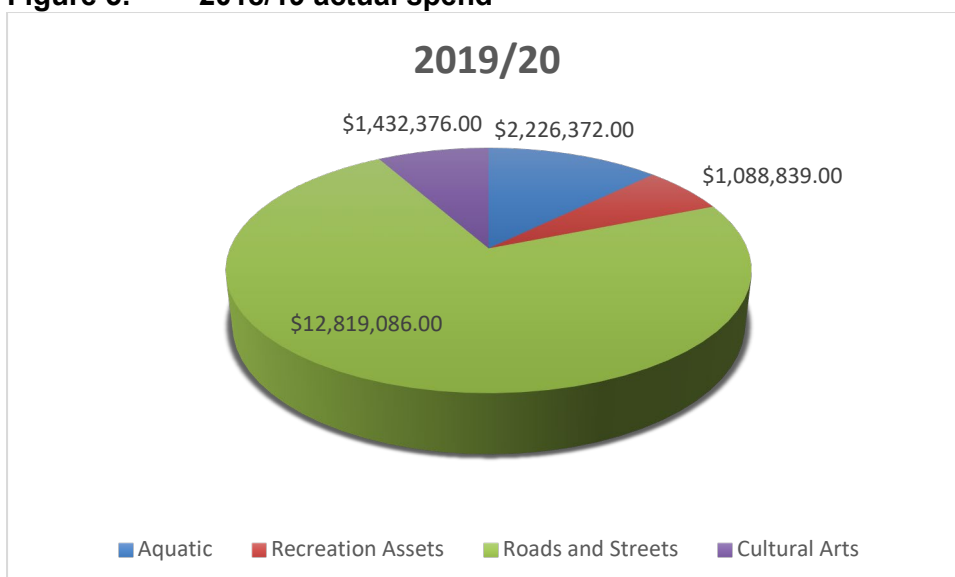


Figure 6: 2019/20 predicted spend

Financial and Resource Implications

\$265,000 has been spent on delivery of the project to date (excluding staff time). This includes the variations required to address a range of additional matters raised by Council not in the original brief as well as a number of workshops not previously scheduled. No further costs are expected to complete the DCM brief.

The business case outlines a financial contribution required to build the new gallery, potentially with an opening in 2023/24. That figure is \$10m which is either to be funded in full from borrowings, if funding not provided by Council directly, or at least in part by borrowings if money is set aside in the budgets prior to construction occurring – which could be 3-5 years distant. The extent of interest to be paid and therefore the total cost to Council for its \$10m commitment is entirely dependent on interest rate secured from Government and any savings that reduce borrowings.

The business case also sets out figures for increased operational expenses. The operational costs for the NHG increase from \$741,565 (2017/18) to \$1.146M (excl maintenance) in year 1 of operations. This is due to increased staffing and other on-costs, with EFT increasing from 5.25 to 12 in year 1 of operations.

For both construction and operations there are detailed models on the contributions to be expected from State Government, Federal Government and Philanthropists. These are set out in Table 2.

Resource implications for Council in continuing with the project include staff time in managing the DCM consultancy, developing a legal framework for a future Foundation (a separate report) along with work on communications and engagement and assisting with fund raising. To date this task has fallen largely to the Director of the Art Gallery and Director Planning and Development. Resources including additional support from the Community Relations team on communications and engagement will be required to continue with consultation, along with project over-sight from either a dedicated resource or the Director Planning and Development.

Legislation, Council Plan and Policy Impacts

This report is in keeping with Council's obligations under the *Local Government Act (1989)*.

It is also in accordance with the Council Plan and in particular, Strategy 3.2.2:

Provide high quality and inclusive cultural facilities, services and experiences. And in accordance with SGSC Asset Management Strategy policy statement: Council recognizes that assets must be planned, provided and refurbished so that they continue to meet the service delivery needs of the community.

Risk Management

Risk is a critical element in any project involving significant capital outlay in construction (CAPEX) or in operational costs post construction (OPEX). The following risks and mitigation strategies are identified:

Risk	Evidence of risk	Solution
R1: Lack of unified Council voice on agreed project parameters (location, project cost etc)	Visible public disagreement on the location of a new gallery and any Council commitment.	Find consensus, work through key issues. Test one clear vision based on the business case prepared. Be realistic and allow sufficient time to establish quantum of support before exploring alternative options.
R2: Lack of effective governance	Unclear programme, unclear resource commitment and disconnected decision making.	Provide a clear governance framework concerning trusts, foundations, Friends of, Council and other key stakeholders and their role in (a) delivering the project; and (b) delivery of cultural arts in the Shire. Provide Council a report on governance based on appropriate model, possibly based on Shepparton model (or others).
R3: Insufficient Council capacity to fund its \$10m commitment	Significant borrowings in long term financial plan that cannot feasibly be covered without dramatic loss of service elsewhere in Council.	It is a commitment only if other stakeholders provide their component. If not achieved then project brief is amended to reduce costs and level of service/vision. Risk is also reduced by Council savings in coming financial years beginning 2020/21, if so directed to be achieved (covered under Financial and Resource Implications).
R4: Lack of legal mechanism for fund raising	Lack of foundation or other structure to collect philanthropic support.	Provide a Foundation structure for active fund raising, together with interim measures using Council’s existing DGR tax exemption status (donor gift register). This will be addressed in a separate report in October 2019.

Table 3: Risk Table

Risk Matrix (based on likelihood table)

LIKELIHOOD	CONSEQUENCE				
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Rare (1)	Low	Low	Low	Low	Low
Unlikely (2)	Low	Low	Low	Medium	Medium
Possible (3)	Low	Low	Medium	Medium	Medium
Likely (4)	Low	Medium	Medium	High	High
Almost certain (5)	Low	Medium	Medium	High	Extreme

R4: Foundation not established

R2: Governance frameworks can be readily resolved

R3: Fund raising outcomes and project costs need to align. Monitor closely

R1: Risk likelihood is between possible and likely. Lack of unified position has major consequences and reputation risk.

Table 4: Risk Matrix

Environmental and Sustainability Considerations

The building and the project overall, must follow accepted sustainability principles, for example around energy efficiency, sustainable building materials and climate resilience. See p. 9 of the Scoping Study and Master Plan Project Brief.

The Tender documentation for the actual building, assuming funding is secured, will require best practice in the area of Environmental and Sustainability Considerations

Community Consultation and Communication

Refer to consultation plan provided at **Attachment C**.

Further more specific actions and timelines for deployment of all communication tools will be developed with key staff in coming weeks.

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. Confirm that stage 3 milestone being the business case as per the Consultant Brief (**Attachment A**) has been met.
2. Endorse the business case version 9 dated 7 August 2019 (**Attachment B**) as suitable for ongoing negotiation with key financial stakeholders to fund NHG at the Lake Hamilton site.
3. Deliver a communications strategy (**Attachment C**) which updates the community on the decision reached by Council, confirming a business case has been prepared that shows a positive benefit cost ratio for the Lake Hamilton site and the ongoing manner in which the community can be involved in the project (generally in accordance with **Attachment D**).
4. Recognise that cultural arts are critical to the health and wellbeing of the local community, for those who live in the Shire as well as those who may wish to move into the Shire. The lack of investment in Hamilton for over 46 years, now needs to be addressed if the gallery collection valued at \$23M is to be protected and managed into the future.
5. Make provision for \$10M in the Council 10 year Long Term Financial Plan, beginning 2020/21 towards construction of a new Hamilton gallery, located at Lake Hamilton. This funding is to be made available should the balance of funding as identified in the business case be secured from other funding partners. A progress report on securing external funding is to be provided within 2 years of this resolution to Council, confirming funds and pledges secured and whether the commitment as set out in the business case (\$62.3M) is realistic or requires

modification of the project brief to reduce costs to a level that can be realistically financed.

6. Make provision for an increase in operational costs for a new gallery if or when it is constructed, generally in accordance with the costs set out in the business case.
7. Provide in-principle commitment to Council putting capital aside towards a new gallery, beginning in financial year 2020/21 to substantially reduce any borrowings required for the new gallery. A report is to be provided separately to Council prior to 30 June 2020 on the quantum of such a commitments and how they can be achieved.

10.6 Options for Food Organics Garden Organics Kerb Side Collection Service

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

Executive Summary

This report provides information to Council on the options available for the Food Organics Garden Organics (FOGO) service and a recommendation on the future service level for the kerbside bin service. The report utilises data from the 2018 kerbside bin audit and benchmarks the service against our neighbouring Councils.

It is recommended that Council:

1. Introduce compulsory kerbside FOGO collection to all properties currently in the compulsory waste service zones, including weekly spring collection (Option 5) commencing 1 July 2020 and;
2. Bins be rolled out in the last quarter of the 2019-2020 financial year, with residents to pay for bins in the 2020-2021 waste collection fee; and
3. Should the grant scheme under the Sustainability Victoria for FOGO rollout be approved, that Officers apply for a grant and offset the cost against the purchase of the bins and pass this saving onto those residents who need to purchase a bin.

Discussion

At the 22 February 2017 Ordinary Meeting of Council, Council resolved for Officers to investigate the most appropriate FOGO collection Service.

Bin audits conducted in 2018 and before that in 2014, 2010 and 2009 consistently showed that kerbside garbage bins on average contain at least 50% by weight of food and garden waste. These materials add significant weight to the bin and are costly to Council in terms of landfill fees and EPA landfill levy. Furthermore they decompose in landfill, adding to Council's greenhouse gas emissions. These organic (carbon-based) materials can readily be composted and the nutrients returned to the soil, if they are correctly diverted.

Now that Council has resolved to shelve the Hamilton landfill and transport residual waste to an external, more distant landfill, the importance of diverting organic waste is even more significant so that in addition to the landfill fees and EPA levy, transport costs could also be avoided.

1. Bin Audits 2018

As Figure 1 shows, the 2018 bin audit found that 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.

Council introduced an optional FOGO kerbside service to Hamilton and Tarrington in 2014. The number of households opting in to the service has slowly increased but there is still only around 25% take-up. The current cost (2019/20) is \$95.00 per year for a fortnightly 240 litre collection. From general conversations with residents, a FOGO focus group and the recent pop-up FOGO display held in Hamilton at Coles and Woolworths, we believe it is primarily the cost that is deterring residents from taking up the FOGO service.

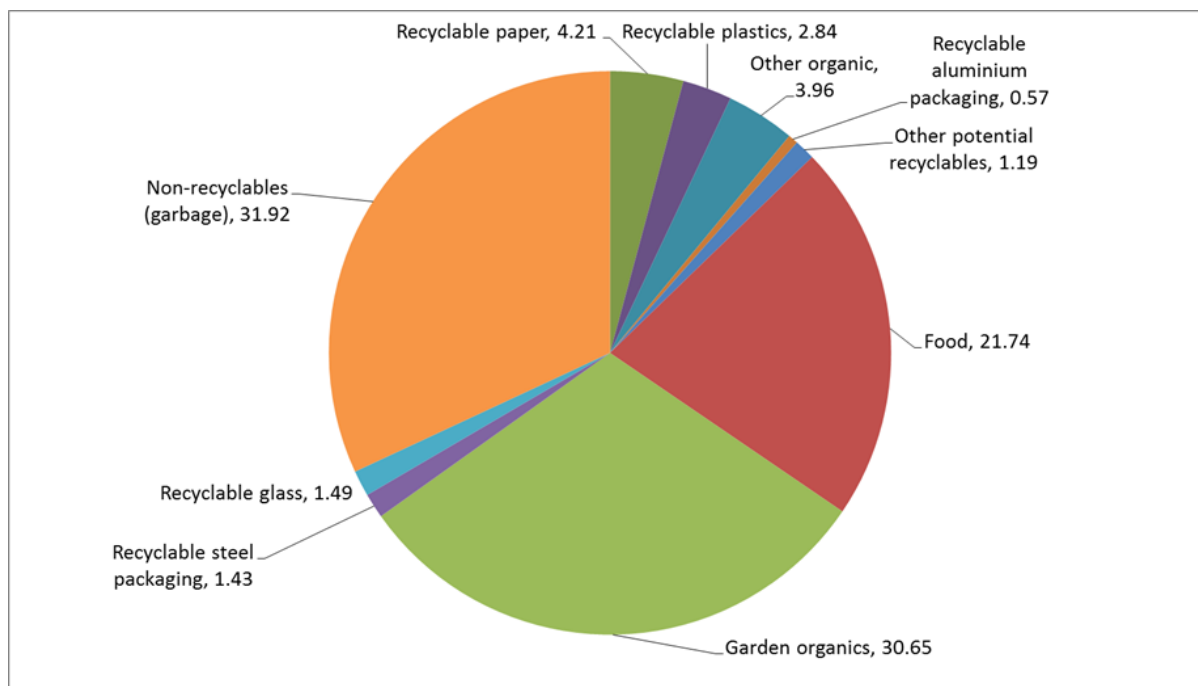


Figure 1 – Composition of materials in Garbage bins – bin audit 2018

Another important issue is that residents are largely using the FOGO bin for garden waste, rather than food waste – see Figure 2. Food waste is dense and therefore adds considerable weight to the garbage bin, as well as contributing to greenhouse gas emissions when landfilled. Council is currently investigating this issue and using interventions to encourage residents to put more of their food waste into the FOGO bin rather than the garbage bin. This activity is part of the “Let’s Go: FOGO” project, a joint exercise with Moyne and Corangamite Shires, auspiced by Moyne Shire and funded by DELWP through the Collaborative Councils program.

The “Let’s Go: FOGO” project 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 Hamilton 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.

Council has been provided with intervention recommendations and materials such as flyers, posters and fact sheets that are being used to inform and educate residents.

One way of increasing the diversion of both garden and food waste from landfill is to increase the number of households using the service. A range of options has been considered.

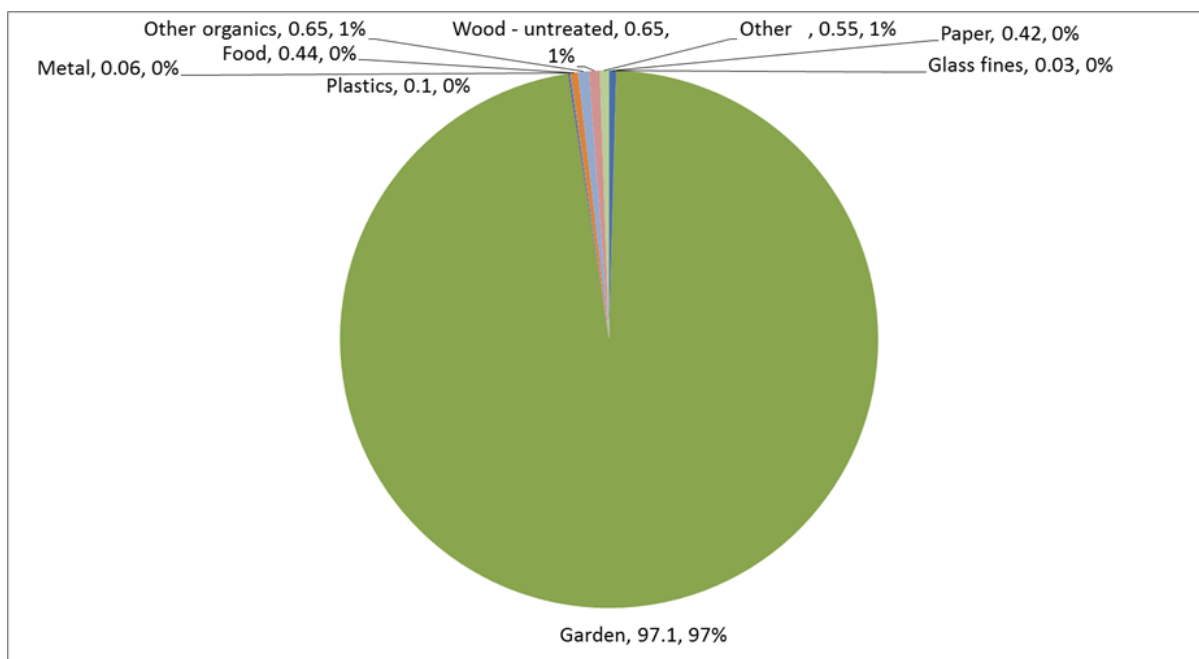


Figure 2- Composition of materials in Organic bins – 2018 bin audit

The Options considered were:

- Option 1 Optional FOGO (Current Service)
- Option 2 Compulsory FOGO (Hamilton and Tarrington only)
- Option 3 Compulsory FOGO (Hamilton and Tarrington only) + FOGO Bin purchase cost spread across all tenements
- Option 4 Compulsory FOGO in All Towns with kerbside
- Option 5 Compulsory FOGO in all towns with weekly collection in spring (1 October - 31 December)

Option	TOTAL \$ per HH/year	Additional initial Bin & Caddy Cost (One off Cost)
Option 1 - Optional FOGO (current Service Level)	\$390.18	\$85.00
Option 2 - Compulsory FOGO (Hamilton and Tarrington only)	\$328.36	\$55.00
Option 3 - Compulsory FOGO at actual cost (Hamilton and Tarrington only) + Amortized Cost of initial FOGO Bins spread across all residents	\$369.88	incl. in fee

Option 4 - Compulsory FOGO in All Towns	\$329.14	\$55.00
Option 5 - Compulsory FOGO in All Towns with weekly FOGO collection for 3 months in Spring	\$348.19	\$55.00

Table 1 – Options for FOGO service

Table 1 below shows the various estimated costs per options as of the 1/7/2019. At the time of implementation the cost of the service would need to be reviewed. The assumptions made were:

1. Not all FOGO will be diverted into the FOGO bin – modelling was based on diversion of 50% of all food and garden waste and the consequent reduction in landfill fees
2. The gate fees used in the modelling were \$35.00 per tonne for FOGO and \$170.22 per tonne for waste.
3. If FOGO bins are distributed in a bulk roll-out it is assumed that bin costs will be reduced to \$55.00 per unit, based on previous recycling bin roll-out. The current cost to residents for a new bin if ordered individually is \$85.00.
4. FOGO collected will be tipped off at the Hamilton transfer station and bulk-hauled to the composter.
5. The weekly FOGO collection in Spring will be from 1 October through 31 December inclusively (3 months or 6 additional lifts)

Points to note from the table:

- The lower per-tenement cost of Option 2 compared to Option 1 incorporates a saving based on the amount of waste expected to be diverted from landfill.
- Option 5 (weekly FOGO collection in spring) is a further option that Council may consider at an additional cost

By way of comparison, some neighbouring Councils' 2018-19 waste charges are presented in Table 2.

Council	Waste & Recycling	Optional FOGO	Compulsory3 bins*
SGSC Option 1 (current Service Level)	\$263.00	\$95.00	
SGSC Option 2			\$328.36
SGSC Option 4			\$329.14
SGSC Option 5			\$348.19
Glenelg	\$275.70		
Moyne			\$347.90

Corangamite			\$360.00
Warrnambool			\$356.45
Northern Grampians	\$467.00		

Table 2: Comparison of waste charges – other SW Victorian Councils.

Note that other waste services such as street litter bins and street sweeping may be included in the waste charge.

There are many issues for Council to consider when weighing up these options.

First are the financial and environmental benefits of waste diversion. This is of particular importance as landfill gate fees and the EPA levy increase into the future. If the FOGO material is composted, the gate fee per tonne is significantly lower than the cost to dispose of the material to landfill.

The environmental impact of landfilling FOGO is also important, with food and garden waste being significant producers of methane when they decompose without oxygen in the landfill.

When the Southern Grampians modelled costs are compared to neighbouring Shires it is clear they are consistent. However it should be noted that the other Councils may include street sweeping and litter bins which are not included in SGSC charges.

The move to compulsory FOGO kerbside collection is happening across Australia and it has already been introduced in Corangamite, Moyne and Warrnambool. Horsham Rural City Council is currently going through the same process as Southern Grampians in considering the service.

Any increase in service level will see the residents pay more as the Southern Grampian Shire Council waste service is run on a cost recovery basis. This may result in complaints but also in the mis-use of the bins which will add additional costs if FOGO has to be decontaminated before being composted. To mitigate this risk a monetary allowance has been made to manually decontaminate the material. Experience from previous introduction of compulsory services (Bransholme, outer Hamilton) shows that initially there may be complaints but once the service is in place, most residents do utilise and value the service.

Negative reaction amongst the community may be allayed somewhat if Council funds the bin purchase. This would require expenditure by Council of around \$285,000 including bin purchase and roll-out, but excluding staff time. The provision of kitchen caddies at the time of bin delivery is also recommended to encourage users to divert their kitchen food waste. This would add a further \$25,000 in Council expenditure. Many other Councils supply bin liners to residents to encourage diversion of food waste. This would add a further \$7.00 per household per year or \$44,700 per year to the cost of the service.

At this time, Officers have been advised that that Sustainability Victoria is considering offering grants to Councils to assist financially with roll out of FOGO services in the near future. No details are yet available except:

- The maximum funding per Council will be \$200,000
- Funds will need to be spent by 30 June 2020.
- It will be short application process and quick turn-around.

- The focus will be on those councils who ‘have undertaken good preparatory work on the way to FOGO introduction. At the heart of this will be evidence that Council has approved it.

Council must also consider the impacts on other services leading up to, during and after the roll-out. The purchase of bins, logistics of bin deliveries, community education, communications and follow-up will take hundreds of hours of staff time across the organisation (Waste, Sustainability, Community Engagement, Customer Service), which diverts attention away from other services.

A communications strategy combined with waste education would be necessary to ensure residents understand the reason for the new service and how to use it correctly. The collection contractor must be kept informed and consulted as necessary to ensure consistent understanding of Council’s requirements.

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

This report is also consistent with Local Government Act (1989).

Risk Management

Benefits and risks are summarised in Table 3.

Option	Benefits	Risks
Option 1 - Optional FOGO	No other changes needed.	No improvement in waste diversion. High FOGO charge continues to deter new users.
Option 2 - Compulsory FOGO at actual cost (Hamilton and Tarrington only)	Increased waste diversion in Hamilton & Tarrington. No changes to other towns.	Residents in other towns may feel they are getting a lower service level. Loss of opportunity for maximum waste diversion. Residents in new compulsory areas may resent extra cost. Likely increase in contamination of FOGO. Mitigation measure – Council to consider funding bin purchase.
Option 3 - Compulsory FOGO at actual cost (Hamilton and Tarrington only) + Amortized Cost of initial FOGO Bins spread across all residents	Increased waste diversion in Hamilton & Tarrington. No changes to other towns.	Residents in other towns may feel they are getting a lower service level. Loss of opportunity for maximum waste diversion. Residents already using FOGO service may feel it is unfair that they have to contribute to others’ bin costs. Residents in new compulsory areas will pay an extra cost.

		Likely increase in contamination of FOGO.
Option 4 - Compulsory FOGO in All Towns	Increased waste diversion in all towns. Residents in other towns are included in roll-out and will get the same service level. Council will be set up for the future in line with best practice.	There will be an additional cost to the resident including the bin purchase. Likely increase in contamination of FOGO. Mitigation measure – Council to consider funding bin purchase.
Option 5 - Compulsory FOGO in All Towns with weekly FOGO collection for 3 months in Spring	Increased waste diversion in all towns. Residents in other towns are included in roll-out and will get the same service. Council will be set up for the future in line with best practice. Additional convenience in period of rapid vegetation growth.	There will be an additional cost to the resident including the bin purchase. Likely increase in contamination of FOGO. Mitigation measure – Council to consider funding bin purchase.

Table 3. Risks and benefits of all options

Environmental and Sustainability Considerations

The environmental benefits of an expanded FOGO service have been discussed in detail earlier. There are no environmental downsides to introducing a compulsory FOGO service.

Community Consultation and Communication

Whichever option Council decides upon there will need to be clear communication to residents. This must include:

- A letter to all affected residents explaining Council's decision and the proposed new arrangements, including clear information about use of the new bin
- Communications through all Council's normal channels (media release, Facebook etc) of the decision and its implications.

Council Officers have also been in consultation with our Kerbside Collection Contractor to ensure that they are able to deliver the service should the level be increased.

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 Council:

1. Introduce compulsory kerbside FOGO collection to all township currently in the compulsory waste service zones, including weekly spring collection (Option 5) commencing 1 July 2020 and;
2. Bins be rolled out in the last quarter of the 2019-2020 financial year, with residents to pay for bins in the 2020-2021 waste collection fee; and
3. Should the grant scheme under the Sustainability Victoria for FOGO rollout be approved, that Officers apply for a grant and offset any grant obtained against the cost of purchasing the bins and pass this saving onto those residents who need to purchase a bin.

10.7 Hamilton Regional Livestock Exchange Advisory Committee Meeting Minutes – 8 July 2019

Directorate: David Moloney, Director Shire Infrastructure
Author: David Moloney, Director Shire Infrastructure
Attachments: 11. Minutes – Hamilton Livestock Exchange Advisory Committee – 8 July 2019

Executive Summary

The Minutes from the Hamilton Regional Livestock Exchange Advisory Committee Meeting are presented to Council for information.

Discussion

The HRLX Advisory Committee is a delegated committee of Council.

Legislation, Council Plan and Policy Impacts

Local Government Act (1989)

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 minutes of the Hamilton Regional Livestock Exchange Advisory Committee Meeting held on 8 July 2019 be noted.

11 Notices of Motion

There are no notices of motion 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

There are no confidential items listed on tonight's Agenda.

15 Close of Meeting

This concludes the business of the meeting.