

3.3. HOME AND COMMUNITY CARE SERVICES REVIEW

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Council is requested to provide direction to Officers with regards to its future provision of Home and Community Care Services.

RECOMMENDATION

That Council:

- 1. Withdraws from the provision of Home and Community Care Services from 1 October 2018 with the proviso that a suitable alternative service provider is able to continue to provide services.**
- 2. If a suitable alternative service provider is forthcoming:**
 - a. Formally acknowledges the exemplary service provided by its Home and Community Care Services staff in supporting the most vulnerable members of our community over many years.**
 - b. Transfers all client data to the new provider.**
 - c. Recommends its Home and Community Care Services staff to the new provider.**
 - d. Negotiates with the Department of Health and Human Services (DHHS) and the Department of Health Australia (DoHA) for the transfer of targets and funding to the new provider.**
- 3. Formally acknowledges the work undertaken by the Australian Services Union in supporting its members, particularly through preparation of the Australian Services Union Aged & Disability Services Options Paper (Attachment [3.3.1]).**
- 4. Formally responds to the Lead Petitioner Cheryl Moore 'Council Must Retain Home Care Services' (Confidential Attachment [15.4.5]) (tabled at the Ordinary Meeting of Council 22 November 2017) in relation to the future management of Home Care Services in South Gippsland.**

REPORT

Historical Service System

South Gippsland Shire Council has historically been one of three providers of State funded Home and Community Care (HACC) services in the geographical area of South Gippsland Shire. The other two providers in the region have been South Gippsland Health Service (Foster) (SGHS) and Gippsland Southern Health Service (Leongatha and Korumburra) (GSHS).

Services are targeted at older clients, over 65 years of age, and clients under 65 years of age with a disability. Services are intended to provide short term restorative care or longer term services to enable clients to remain independent and at home for longer.

Council services include:

- Direct care to local residents through
 - Home Care
 - Personal Care
 - Respite
 - Home Maintenance Services
- Assessment services
- Co-ordination of volunteers
- System support
- Sub-contracted services to other providers, known as private works

Era of Change

The current era of change has evolved over a period of time through the input and direction of the Commonwealth and State Governments, the service industries, and the general population. The formal drivers of reform have come out of three productivity reports:

- 2004 report on the operation of the Disability Discrimination Act 1992
- 2011 report on the National Disability Insurance Scheme
- 2011 report on Caring for Older Australians

The Council of Australian Governments (COAG) meeting in August 2011 led to the agreement that the Commonwealth Government would assume responsibility for the creation of a single national aged care system and a single national disability service system.

Trials for the implementation of a National Disability Insurance Scheme (NDIS) were conducted between July 2013 and June 2016. The trials were deemed successful and the Scheme has continued to be rolled out nationally. The roll-out for inner Gippsland, which includes the municipality of South Gippsland, commenced in October 2017 and is expected to be completed by March 2018.

There is a transition period from March 2018 to October 2018 during which Council is expected to maintain existing services at the State-funded rate. To

date Council has not applied to be an NDIS service provider, but has established an agreement to sub-contract home care services as an agent for GSHS as a registered provider. Under NDIS there is no client co-contribution and the NDIS rate is less than the current State-funded Home and Community Care Program for Younger People (HACC-PYP) rate. Individual rate differentials vary, however the hourly rate and loss of client contribution will see a net reduction of about 20 per cent in revenue for this cohort.

Changes to the aged care system in Victoria commenced in June 2016 when the Commonwealth Government assumed the funding responsibilities through Commonwealth Home Support Program (CHSP). The Commonwealth Government-provided block funding remains directed to existing service providers, with an acquittal based on targets being met and funds expended. Block funding is only guaranteed to June 2020. The future funding model beyond 2020 is yet to be determined and is expected to be based on a consumer-directed care model similar to the NDIS system.

Other Considerations

A number of existing Council clients under 65 may be deemed ineligible for NDIS. The Victorian Government has given assurances that funding for this cohort will be guaranteed under the HACC-PYP until at least June 2020. The funding is not assured past this date, although current discussions include options for future integration of these services into the community health sector.

With the introduction of CHSP from June 2016, the Commonwealth Government directed the separation of assessment services from service delivery. Our assessment service, Regional Assessment Service, will no longer provide assessment for NDIS-eligible clients, but will continue to provide for clients requiring aged care services and those who request HACC-PYP services during the transition period. The Commonwealth Government's future expectations are for assessment services to be merged with Aged Care Assessment Service and provided over a wider area, for example, NSW has two assessment service providers covering the entire state. The Victorian Government continues to negotiate with the Commonwealth Government about the future of aged assessment services in Victoria. Current funding arrangements are guaranteed until June 2019.

CONSULTATION

Staff Consultation – officers have been kept up-to-date and offered counselling throughout this process. In particular a meeting with staff was held on the 14 March 2018 to discuss the recommendations for this meeting prior to Council Agenda being made public.

Councillor Consultation

22 April 2015 - Council was briefed on the expected changes and proposed options for Home and Community Care. It was recommended that Council

consider the future provision of Home and Community Care services in South Gippsland and provide direction on the options proposed for a comprehensive review of HACC services in the Shire.

25 November 2015 - an Independent briefing to Council was led by Municipal Association of Victoria (MAV) on the Local Government delivery of Home and Community Care services. It was recommended that:

- Council continues to be well informed and prepared for the transition.
- Advocate for the best outcomes for our community to enhance their quality of life, ensuring services remain in place during the time of change.
- Support South Gippsland Shire Council staff through this process of major government reform.
- Appoint an external consultant to develop and cost future options and pathways to support Council's decisions regarding the Home and Community Care Service.

6 April 2016 - Council was briefed via Councillor newsletter regarding upcoming changes and future options to the Aged and Disability Services Sector.

7 December 2016 - Council was briefed on the **Confidential Attachment [15.4.1]** South Gippsland Options and Pathways for Transition of HACC services –

June 2016 report and resolved to investigate this as a recommended option; the creation of an independent company owned by South Gippsland Health Service (SGHS), Gippsland South Health Service (GSHS) and South Gippsland Shire Council (SGSC). South Gippsland Shire Council endorsed two principles being; assurance of service for all eligible clients and retention of local employment where possible.

1 March 2017 Council received financial evaluation of the corporate option which was deemed not financially viable. Council resolved to continue negotiations with Gippsland Southern Health Service (GSHS) (**Confidential Attachment [15.4.3]** –South Gippsland HACC Transition Collaborative – February 2017).

21 June 2017 Council briefed to consider the recommendations that were going to be put forward at 28 June 2017 Ordinary Meeting of Council.

28 June 2017 Ordinary Meeting of Council, Council resolved to:

- Agree in principle for Council to work toward a transition of Aged and Disability Services delivery from Council to GSHS

- Negotiate with the Commonwealth and State Government departments on the transfer of funding and targets from Council to GSHS
- Retain the Aged and Disability Services, Regional Assessment Service while alternate models of service delivery are explored.

15 November 2017 Council received **Attachment [3.3.1]** Aged and Disability Option Paper from Australian Services Union (ASU). Refer to **Attachment [3.3.2]** for Council's response to this Option Paper.

22 November 2017 Council tabled a Petition - Council Must Retain Home Care Services (**Confidential Attachment [15.4.5]**) in relation to the future management of Home Care Services in South Gippsland. It was received at Council from Lead Petitioner Cheryl Moore. The petition contained 1,549 signatures from residents within and outside the Shire and 23 signatures from the Australian Services Union. The undersigned concerned citizens urged Councillors to:

1. Rescind their motion to look at options for transferring Home Support Services to another organisation, and
2. Retain the Aged and Disability Staff within South Gippsland Shire Council.

Council received and noted the petition titled 'Council Must Retain Home Care Services' and agreed that the petition lay on the table until Council considered the future provision of HACC services.

7 March 2018 - Council briefing to consider matters on the agenda for the 28 March 2018 Ordinary Meeting of Council.

Australian Services Union (ASU) Consultation

Regular meetings and consultation with staff and ASU.

Consultation with other agencies

Department of Human Services, Commonwealth Aged Care, Bass Coast Health Service, Bass Coast Shire Council, and Latrobe Community Health Service, Gippsland Southern Health Service and South Gippsland Health Service.

RESOURCES

Evaluation of Position

Confidential Attachment [15.4.4] South Gippsland Collaborative Report – Healthcare International – December 2017 outlines the proposed transfer of aged and disability service delivery by the State and Commonwealth departments from Council to GSHS. Note the timelines in that document are not expected to be achieved due to delays in response by the two funding departments.

The aging population will mean greater demand for home care and other services. Changes to technology and improvements in pharmacology will mean greater opportunities for provision of age and disability services to clients in the home. Funding for this demand cannot be delivered by Council in a rate-capped environment. In fact one could argue that the ability to care for clients in the home should be funded by the Commonwealth Government through a fall in demand for residential services and by the State in less demand by this cohort for hospital and sub-acute medical services.

Council recognise that its services are currently held in good favour by the clients and the wider community. Council recognise that this will assist any alternative provider taking on the service provision in South Gippsland to retain existing clients during the transition of service.

Council could choose to exit the market without identifying an available alternative service provider, particularly in the expected open market post June 2020. This risks loss of service to existing clients while they work toward obtaining alternate providers. It also risks not having an alternate provider, especially in the more remote locations of the Shire.

It is recognised that transition will mean change which may well be a cause of anxiety for both clients and staff. With client consent, the electronic transfer of existing client details will minimise disruption to their service provision. Training, counselling and other supports will maximise staff opportunity to continue their employment with a new provider.

Redundancy for all is estimated to be approximately \$1,000,000

It is recommended that the Regional Assessment Service be retained by Council. DoHA is unlikely to support the transition of an assessment service to an alternative service provider. The future of assessment services is currently unknown with the agreement between Commonwealth and State Governments due to expire in June 2019.

RISKS

- While Council will have some control in the level of service delivery through agreement with an alternative service provider, Council will not have any control once a “consumer directed care” model is implemented for NDIS and CHSP.
- DHHS and DoHA may choose not to transfer services to a single identified service provider and have the option to ask for a wider Expression of Interest.
- Reduced expertise and knowledge to advocate at a local service level and quality of the service may be impacted.
- Reduced connection, monitoring and knowledge of some of the most vulnerable people in the community.

- The community has long experience and expectation that HACC is a Council-delivered service and if this was to cease there may be a negative impact on Council's reputation.
- Potential loss of skilled and older workforce (80 per cent of staff aged over 55 years) with minimal redeployment opportunities within the organisation.
- Volunteers who may not wish to volunteer for a new provider.
- Potential industrial response from Union and staff.
- No action would lead to Council providing a steadily declining service to an increasingly cost-prohibitive cohort of clients.
- Ceasing the service without the identification and commitment of an available alternative service provider risks the loss of skilled Home and Community Care workers in the Shire and possibly reduced access to services for clients.

STAFF DISCLOSURE

Name: Bart Ruyter, Manager Community Services
Title: Home and Community Care Services Review
Conflict of Interest: Indirect Interest - Party to the Matter (Part 3.9)
Reason: is Party to the Matter in that the proposed loss of Council's Home and Community Care Services may impact staff employment

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. ASU Option Paper - Aged and Disability Services - November 2017 **[3.3.1]**
2. Response to ASU Option Paper for Aged and Disability Services Final **[3.3.2]**

CONFIDENTIAL ATTACHMENTS

Confidential Attachments [15.4.1] – South Gippsland Options and Pathways for Transition of HACC Services – June 2016 – **[15.4.2]** - Letter – DHHS – Transfer of Service Targets and Funding in South Gippsland Region **[15.4.3]** – South Gippsland HACC Transition Collaborative – February 2017 **[15.4.4]** South Gippsland Collaborative Report – Healthcare International – December 2017 has been provided in accordance with s.77(2)(c) of the Local Government Act 1989, the Chief Executive Officer designates this item as confidential information on the grounds that it relates to s.89(2)(d) - contractual matters.

Commercial in Confidence as other business entities are involved.

Confidential Attachment [15.4.5] - Petition - Council Retain Home Care Services - Cheryl Moore has been provided in accordance with s.77(2)(c) of the Local Government Act 1989, the Chief Executive Officer designates this Agenda Item as confidential information on the grounds that it relates to s.89(2)(h) -

any other matter which the Council or Special Committee considers would prejudice the Council or any persons.

This attachment is deemed confidential to protect the privacy of the petition signatories.

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Age-Friendly South Gippsland 2017 – 2021

Improving Equity and Access Policy

Legislative Provisions

Aged Care Act 2016

Disability Discrimination Act 1992

Home Care Standards (Commonwealth (CHSP) and State (HACC))

Home and Community Care (HACC) Act 1985

Public Health and Wellbeing Act 2008

NOV 2017

AGED & DISABILITY

OPTION PAPER

**SOUTH GIPPSLAND
SHIRE COUNCIL**



A·S·U

Australian Services Union
Victorian and Tasmanian
Authorities & Services Branch

1300 855 570 • info@asuvictas.com.au • www.asuvictas.com.au



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We believe that Council has failed in reviewing the service and failed to consult with the Aged and Disability workers to identify potential savings and efficiencies and not consulted with the community as required under the Local Government Act. ”

EXTENSION OF CHSP BLOCK FUNDING UNTIL 2020

Council will be aware that the federal government announced at its budget in May 2017 its intention to continue funding CHSP services via a block funding model until at least 2020. This means the decision on whether to remain a provider of CHSP services on the basis of what the funding model will be need not be rushed. This is made even more important by the fact the federal department of health is presently undertaking a review into the future of the care at home system and is expressly seeking feedback on future funding models with particular reference to CHSP providers in rural and remote areas. Indeed the continuation of block funding for CHSP providers in rural/remote areas was a major subject for consultation. Hence if the government is still undecided on how it will fund CHSP services beyond 2020 it is premature in the extreme for any council to pre-emptively exit home care because of uncertainty around funding.

RATE CAPPING PRESSURE ON GOVERNMENT

Introduced by State Government after the 2014 election, rate capping has had an impact on revenue streams for local government.

The Local Government Minister and the Premier's Office has regularly been quoted as saying that rate capping is not designed as a way of shedding jobs and removing Council services, it was about curbing excessive spending, wastage and streamlining the delivery of Council services.

**Rate Capping was
never introduced to
cut services, jobs
or wages.**

BEST VALUE PRINCIPLES

Council should be aware of its statutory obligations to obey the Best Value Principles contained in the Local Government Act 1989. Section 208A of the Act stipulates councils 'must comply with the Best Value Principles.'

The Best Value Principles offer Councils' guidance on how to measure the effectiveness of both the services they offer their community and the delivery model of said service. Section 208B of the act spells out what the BVPs are:

- (a) all services provided by Council must meet the quality and cost standards required by section 208D
- (b) subject to sections 3C(2)(b) and 3C(2)(e), all services provided by Council must be responsive to the needs of its community
- (c) each service provided by Council must be accessible to those members of the community for whom the service is intended
- (d) Council must achieve continuous improvement in the provision of services for its community;
- (e) Council must develop a program of regular consultation with its community in relation
- (f) Council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

In our view the Aged and Disability services offered by council meet the requirements of the Act, in particular we believe they satisfy clauses (b) and (c). However we do not believe council has met the requirements under clause (e) above in relation to this particular service and process we are currently undertaking. Furthermore we believe council will no longer satisfy clause (b) and (c) if it were to undermine Aged and Disability services as we believe it intends to do.

A corollary of the above, Section 208D of the Act says councils must 'develop quality and cost standards for the provision of any service it provides for its

community'. Quality and cost standards for each service must set out the performance standards for each service as determined by council. It should be noted these standards are required to be made publicly available under section 208F of the act. When embarking on this process the Act says councils must have regard to factors listed under section 208C(a),(b),(c),(d) and (e). In other words, council can't just impose its own, arbitrary standards; rather it must go through a set process.

Section 208C(a),(b),(c),(d) and (e) read as follows:

LOCAL GOVERNMENT ACT 1989 SECT 208C

Factors that may be looked at in applying the Principles

In applying the Best Value Principles, a Council may take into account, among other factors:

- (a) the need to review services against the best on offer in both the public and private sectors; and
- (b) an assessment of value for money in service delivery; and
- (c) community expectations and values; and
- (d) the balance of affordability and accessibility of services to the community; and
- (e) opportunities for local employment growth or retention

We do not find any evidence in community opinion to support a view that proclaims a reduction in Council's Aged and Disability services to its community meets clause (c) community expectations and values – on the contrary we see much community satisfaction and support for the retention and continuation of the service.

Changes as a result of the federal government Living Longer, Living Better (LLLB) aged care package are also seeing aged services become scarcer for people in rural and remote areas – particularly for communities such as our own. Indeed the recent legislated review report in the LLLB changes by David Tune, as well as the Federal Government's discussion paper on

the future of care at home services, has made quite explicit concerns the LLLB changes are going to see some aged care clients left behind because they live in rural and remote areas. Even these apostles of neo-liberal economics concede the need for continued government support, and in Victoria's case that means Councils like South Gippsland Shire Council, for aged care services in areas such as ours. If Council stopped providing aged care in areas like ours, there would be no one to fill the gap, which means the accessibility of aged care would diminish. Clause (d) above says services must be accessible to the community: if Council cut its aged care services it would be violating this part of the BVPs and the Local Government Act.

Clause (e) says Council's application of the BVPs may have regard to fostering 'opportunities for local employment growth or retention.' How Council can say it is fulfilling this obligation while cutting staff and services is a mystery. Clearly local employment growth or retention is not helped by cutting staff.

As a result of the above we believe that Council has failed in reviewing the service and failed to consult with the Aged and Disability workers to identify potential savings and efficiencies and not consulted with the community as required under the Local Government Act.

MY AGED CARE REFORMS

This year there have been significant changes within the Aged and Disability Services Sector and the ASU Working Group represents workers in the Aged and Disability Services department of South Gippsland Shire Council. These changes have created challenges for Council and the Working Group are concerned that Council is 'on selling' their list of clients to other providers and it is the belief of the Group that it is absolutely essential that Council remain involved in the provision of home care services. Local Government is a trusted and **high quality** home care service provider. Feedback from our Community Support Workers is that many of our clients are bewildered by the changes, they do not want to see disruption to their services.

We believe that Local Government cannot avoid being involved in the provision and delivery of services to these areas. Council has played a pivotal role over the years in delivering these services to their communities.

COMMUNITY SATISFACTION SURVEY OF COUNCIL

The 2017 survey was undertaken by an independent market research consultancy. JWS Research was commissioned by the Department of Environment, Land, Water and Planning, on behalf of most Victorian councils. Four hundred residents were interviewed by telephone. Residents aged 65+ years are the most favourably disposed towards Council.

RISKS

JWS commented in their research that it is important for Council to consider the diverse needs and views of the community to deliver improved services. They also noted the ongoing below average levels of community satisfaction with Council's performance or understanding of Council's improvement initiatives will hamper Council and community efforts to work effectively together to achieve common objectives.

CLIENT SATISFACTION SURVEY (APPENDIX 1)

The survey results demonstrate a high level of satisfaction for Aged and Disability services which are guided by a "Wellness and Re-enablement" approach.

- **95% agreed the services helped to maintain their independence**
- **89% would recommend Council services to family and friends**
- **stated that they felt that their services allowed them to continue to live at home independently.**

COMMUNITY PETITION & CONSULTATION

Petitions were distributed across the shire over a 2-3 week period. We would have liked a longer period to consult with the community but timelines imposed by Council limited us to this short period.

We decided to engage the community for their support as a result of Council not consulting in any way with the community about the delivery of Aged and Disability services and how this proposed decision would impact on those who receive our services.

SERVICE PROVISION

South Gippsland Shire Council currently provides services to over 1,200 clients and their families with a team of 37 Community Support Workers, 300+ volunteers and office staff. We provide the services listed at right, to assist them to maintain a safe and healthy home environment.

STAFFING (APPENDIX 2 & 3)

Please refer to Appendix 2 for current staffing structure.

A restructure of the organisation occurred three years ago where a number of managerial roles were reclassified to 'Coordinator', (this did not affect their pay rate). The Aged and Disability Services Coordinator (previously Manager) prior to the restructure, reported to the Director of Corporate and Community Services, however, with the change a new line of management was introduced, ie Manager Community Services, where the reporting line changed to this position. It is proposed that this line of reporting is not required and that a more streamlined structure would be consistent and customer focus. Refer to Appendix 3 for suggested structure.

Home Care

- Vacuuming
- Dusting
- Taking rubbish bin out/in
- Bathrooms
- Washing and hanging out
- Changing Bed Linen, etc.

Respite

- Reading
- Fishing
- Music group

Meals on Wheels

- Provision of hot, chilled and frozen meals supplied by Gippsland Southern Health and South Gippsland Hospital.

Community Transport

- Transport for clients to attend medical appointments to Melbourne / regional hospitals / medical centres.
- Venus Bay to Wonthaggi Bus Run
- Dialysis to Wonthaggi (3 days per week)
- Dialysis to Warragul (2 days per week)
- Dialysis to Yarram (1 day per week)

Personal Care Meal Prep Social Support

- Showering
- Supervision of medication
- Shopping
- Banking
- Assistance with preparing and cooking meals
- Coffee
- Walking, etc

Home Maintenance

- Gutters
- Window Cleaning
- Smoke Alarms
- Tip Runs
- Rails/Ramps, etc

DELIVERING EFFICIENT, STREAMLINED COST EFFECTIVE SERVICES

For the purpose of this exercise figures derived are based on the budget figures supplied by Manager Community Services and relate to Home Care services only for both under and over 65 (Appendix 4)

In 2016/17 as per the budget figures Council received funding as follows:

Commonwealth & State Funding

\$603,440

Actual Costs

\$846,082

Client Contribution

\$108,170*

Shortfall

(\$134,472)

In 2016-17 the funding received equated to the following hours of service Council can provide and what was actually provided.

Commonwealth & State

12,883 hours

Actual Hours Provided

17,812 hours*

Council's Contribution

5,108 hours

**These hours were calculated on an average of \$47.50 (\$48.00 for under 65 and \$47.00 for over 65) and the actual costs incurred.*

Client Contribution

Average Hourly Rate

\$6.30

2016-17 Targets

16,954 hours

Contribution

\$108,082

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Many of our clients are bewildered by the changes, they do not want to see disruption to their services.

”



TABLE OF SUGGESTED SAVINGS / COST TO COUNCIL

<p>Cap services in accordance to funding received.</p> <p><i>Note:</i> Other rural Councils have had wait lists in place for some time due to insufficient funding. The waitlist will assist Council to apply for growth funding.</p>	No cost to Council
<p>Introduce a flat fee for CHSP clients to \$10.00 per hour</p> <p>Government policy is moving towards charging all clients a fee, so it's likely council would need to do this at some stage anyway</p> <p><i>*Additional savings will also occur across all services, ie Respite, Personal Care, Social Support, etc</i></p>	SAVING: \$32,844.00 (Home Care only)
<p>Staffing – reduction of positions</p> <ul style="list-style-type: none"> • Manager Community Services • Administration & Accounts Officer • 1 Service Provision Team Leader 	Guesstimate SAVING: \$228,123+ \$100,000+ \$ 64,000 \$ 64,123
<p>On Call</p> <p>A fortnightly allowance of \$298.56 is paid to A&D staff to provide an after-hours service. This service could be more efficient by the office staff working between the hours of 7am to 6pm.</p>	SAVING: \$7,762.56
<p>Public Holidays</p> <p>Currently clients are not charged public holiday rates, however, staff are paid the higher rate. Services can be provided on the day before or after a public holiday. In the instance where a client requires a shower on a public holiday this can be done through the District Nurses. In the case of a service being provided on a Public Holiday the client should be paying the relevant holiday pay rate.</p>	<i>Example:</i> <i>Client charged</i> <i>1hr Shower Assistance \$4.90</i> <i>Council pays Support Worker</i> <i>\$38.00 per hour</i>
<p>Council cease supporting RSL Mirboo North Bus</p> <p>This support was provided to the RSL on the proviso that they would collect clients to do shopping. This has not been the case for some time now.</p>	\$3,000
<p>Increase Private Works which is at full cost</p>	Base rate to Agency is \$54 per hour
<p>CSW Travel- savings for the last 12 months 1,000kms at 1.20. 2018 the offset between \$1.20 and 90cents.</p>	135,022kms @ \$1.20 = \$162,026 135,022kms @ \$0.90 = \$121,519 Difference: \$40,507
<p>HACCPYP Assessment Officer</p> <p>20% of Assessment Funding to come across into HACCPYP.</p>	\$73,705.60
<p>Personal Care</p> <p>Currently Council contributes the first 30kms of the cost for clients who live in areas where there is no shopping facilities. WHY? Any kms travelled over this is at the client's cost.</p> <p>During 2016-17</p> <ul style="list-style-type: none"> • Approximately 145 clients travelled with a Support Worker to receive shopping assistance, respite and social support who potentially could be charged all mileage travelled. • Out of the 145, only 42 clients were charged in excess of 30kms. <p>Recommendation: Client pay full cost.</p> <p>Other shopping options could be provided to the client by shopping online, or dependent on the client's ability a bus could be arranged to take a group of people to the shops as opposed to individual trips.</p>	SAVING: \$4,350

Suggested Savings

The Aged and Disability Services team had worked very closely towards set targets, which were monitored monthly by the team and Coordinator. Since the restructure there has been no monitoring by management which has now put Council in an untenable situation where excessive hours are being provided by Council, albeit concern was expressed by the team. Council's contribution can be lowered by instituting the changes tabled at left.

Other identified areas where savings can be found:

- **Dialysis**

Council runs three trips per week

1. Mon, Wed & Fri to Wonthaggi – *4 clients*
2. Tues and Thurs to Warragul - *1 client*
3. Monday to Yarram – *1 client*

Hospitals receive funding to run these services. Why is Council doing it?

- **Community Transport**

Clients to be charged if late cancellation. This currently applies to Home Support Services.

- **Home Maintenance**

- Client to pay an amount where a contractor has gone out to undertake work as arranged and client not at home. Council incurs a cost by the contractor in this instance.
- Tightening of rosters – will streamline the total amount of time spent travelling by CSW between clients and also reduce the total kilometres.
- In some instances we have two Support Workers in the same street on the same day.
- Set days of week for provision of care in remote areas, ie Venus Bay, Sandy Point, Walkerville, Hedley, Nyora

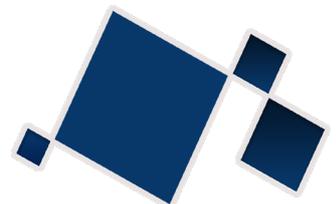
Recommendation

The ASU Working Group strongly encourage Council to review our services based on the cost saving measures as indicated.

This content is only a guide as we were only provided with a short timeframe - and a single financial spreadsheet - in which to put together this report. In contrast, the Option Paper provided by a consultant to Council earlier this year was compiled over a number of months, included interviews with Council Management and external providers and they were also supplied a considerable amount of financial information.

EBA items – to be considered by Council

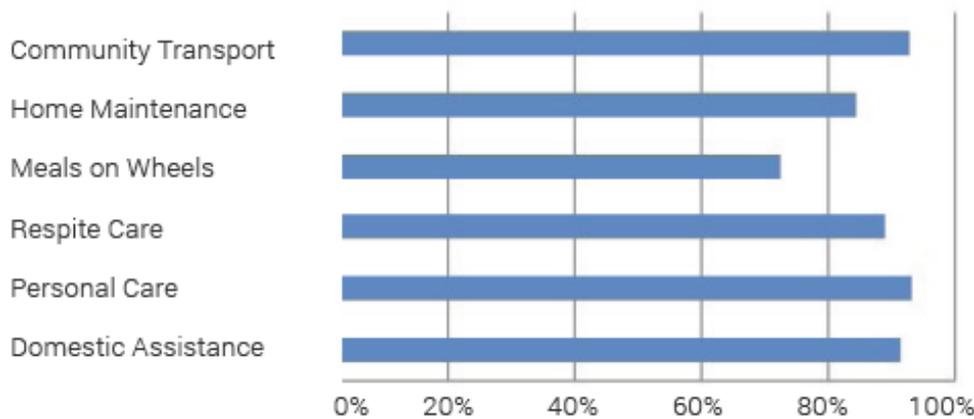
- Transition Allowance - \$7.80 per fortnight
- Travel – claim through ATO no cost to Council



APPENDIX 1

Client satisfaction Survey Results

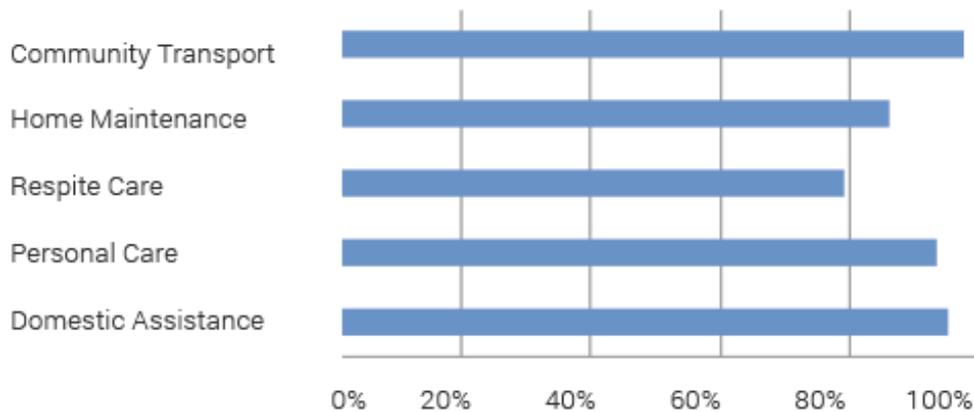
Satisfaction with service



95%

Agreed the services helped to maintain their independence

Satisfaction with professionalism of staff, contractors and volunteers



89%

Would recommend Council services to family and friends



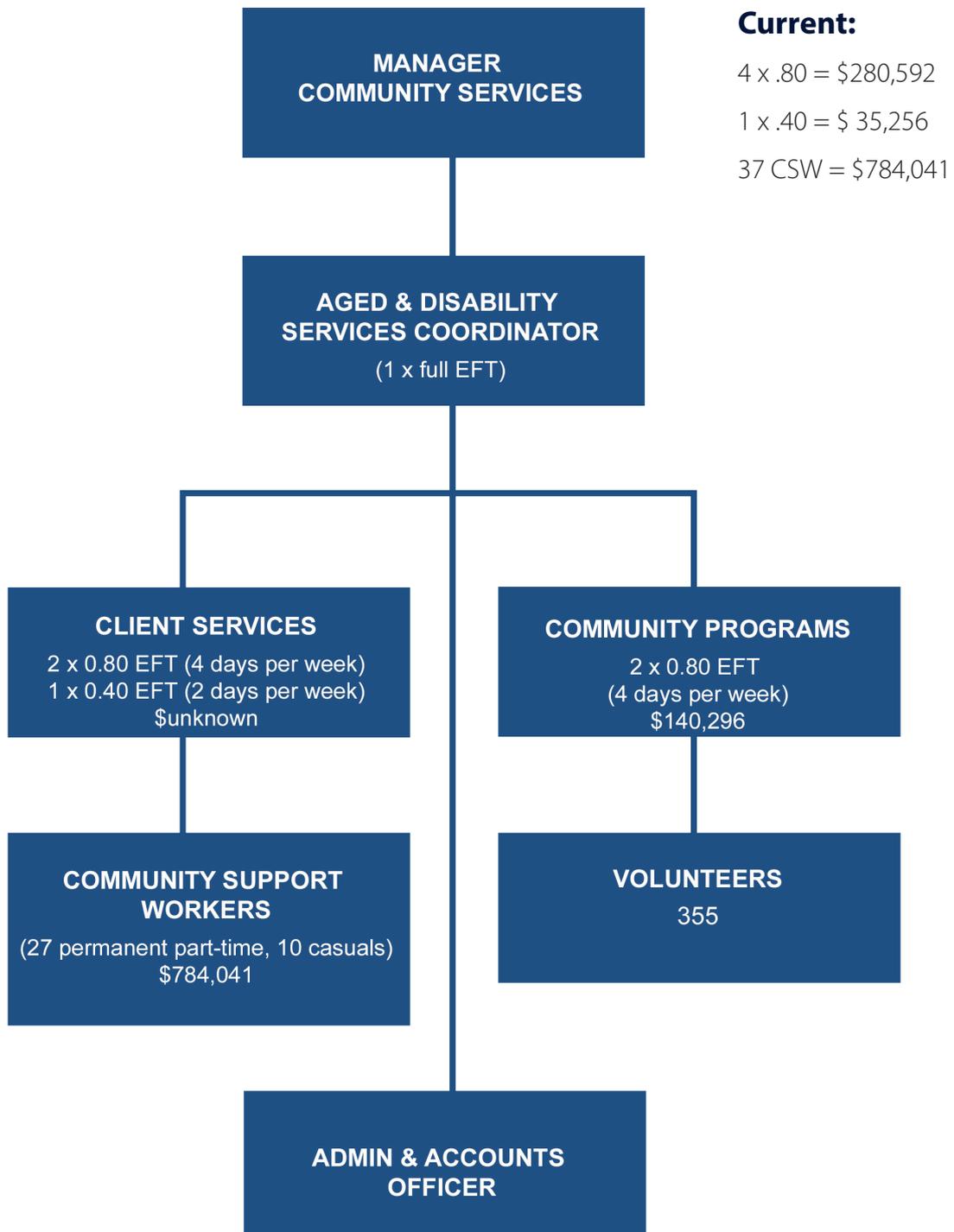
76% Did not know about or were unsure of the new My Aged Care system



myagedcare

78% Who made a complaint or enquiry felt it was dealt with promptly and to their satisfaction.

Current Staffing Structure



APPENDIX 3

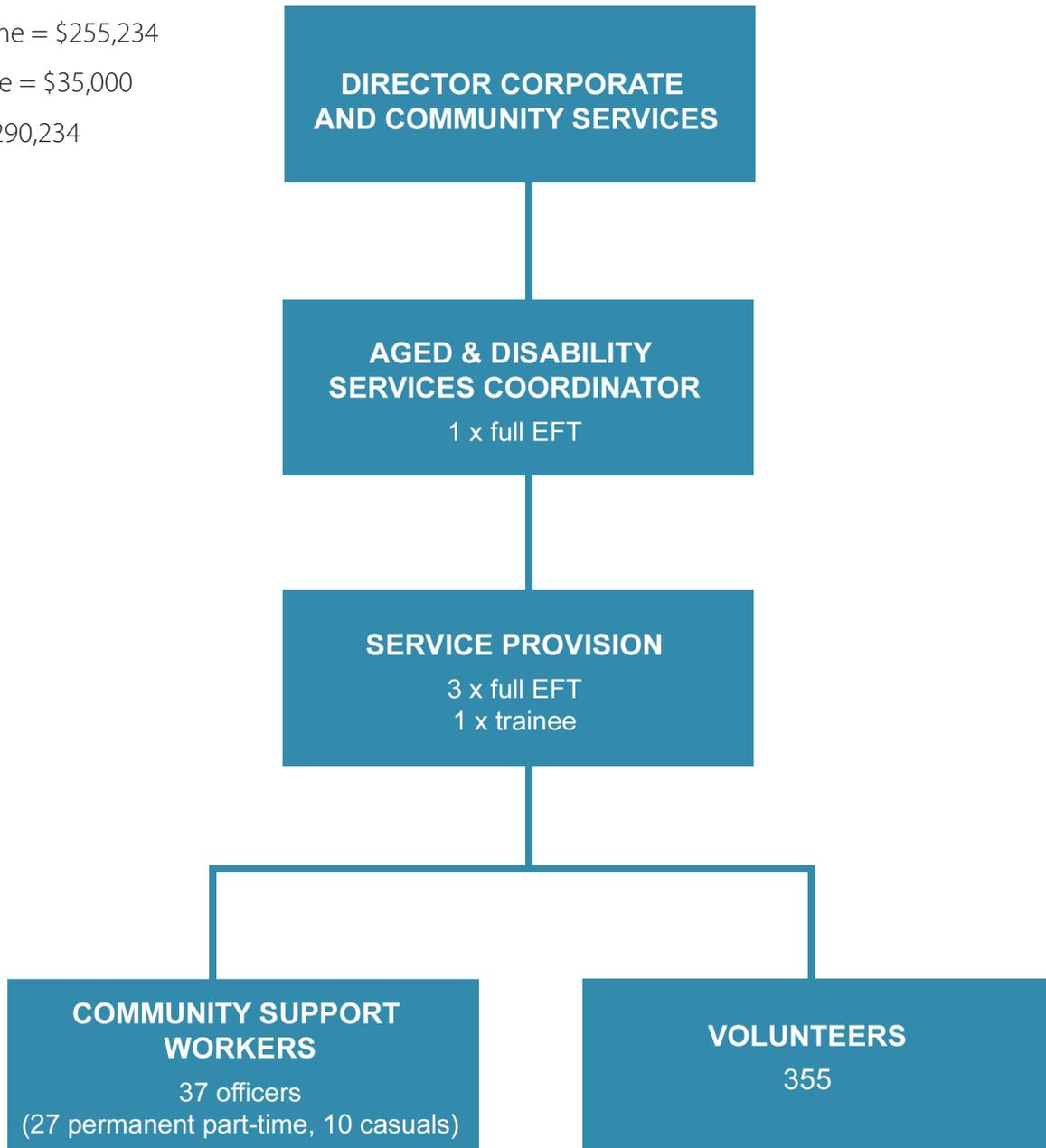
PROPOSED STAFFING STRUCTURE

Proposed:

3 x full time = \$255,234

1 x Trainee = \$35,000

Total = \$290,234



RESPONSE TO AUSTRALIAN SERVICES UNION (ASU) AND STAFF AGED AND DISABILITY SERVICES OPTIONS PAPER

South Gippsland Shire Council
March 2018



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INTRODUCTION

There is no question that South Gippsland Shire Council (SGSC) Aged & Disability Service (A&DS) staff are qualified, experienced and dedicated. A recent SGSC staff cultural survey showed that 97% of Community Services respondents come to work each day “motivated to be their best.” In fact, the community services workers responded higher than any other SGSC division across all six general domains, with scores above 75% for every domain.

We acknowledge that the submission was developed by a small team of knowledgeable, dedicated people with limited resources within a very limited time frame and therefore was not an “internal bid” as was originally suggested. The table of potential savings does not provide a bottom line which “staff and union have agreed to deliver,” but instead some ideas which “Council” could pursue. The submission also does not address the reduced revenue due to transition to NDIS, nor the potential impact of a competitive market as further changes are made to the funding arrangements.

That said, there are a number of suggestions which Council may further analyse for consideration should they remain a provider of A&DS.

COUNCIL CONSIDERATIONS

Reducing services to funded levels

Council has traditionally provided services above funded levels to a maximum of 3,550 hours of home care and 600 hours of personal care. Reducing these services to funded levels would save, at marginal rates, an estimated \$192,000 per annum. However Council would need to consider the political and social impact as well as the additional administrative burden of maintaining a waiting list which would be 4,150 hours larger.

Client Fees

Guidelines for the client fees have historically been set by the state Department of Health & Human Services (DHHS) and remain so for the Home and Community Care – Program for Young People (HACC-PYP) program. It should be noted that, under the National Disability Insurance Scheme (NDIS), clients are not allowed to be charged a co-contribution and so the rollout will see a steady reduction in revenue from this cohort. Over time this reduction will be further exacerbated by lower-cost service providers entering the market to provide a competitive services. The Commonwealth does not specify the rate of client contribution for its Commonwealth Hospital Support Program (CHSP) program, so there is an opportunity to increase those rates. To date, however, Council has directed that its client fees are not to be increased in excess of the rate-cap percentage. There is a political implication with any decision for marked increases as well as an equity implication with younger clients receiving small or no charges.

Reduction of administrative positions

The submission suggests reduction of three administrative positions, with no evaluation of the role and function of those positions. The roles covered by Manager of Community Services extend further than just A&DS area, and the cost of that position isn't factored into the cost of the program. The administrative role and team leader role are fully occupied. In fact, with the introduction of waiting lists, staff are currently requesting additional administrative hours to support and maintain waiting lists. Should Council maintain A&DS we expect to introduce a new Client Management System, Procura. The implementation of this system has been placed on hold. There is expected to be a reduction in the administrative burden post implementation, and thereby the potential for some savings, however these are yet to be accurately determined.

On-call service

The on-call service provided by administrative staff is an important aspect of quality of service and risk mitigation. Early notice of staff unavailability, particularly around weekend rosters, need to be actioned as soon as possible especially if replacement staff are required, or at least to notify the client that service may not be delivered. Having staff contact is important especially for respite service provision, which is at times outside of ordinary working hours. While the on-call service is not utilised extensively, the cost is minimal. While staff may elect to waive their entitlement, if we require an on-call service, then the award requires payment.

Reduced Service Delivery

Service delivery is reduced as far as possible during holiday periods, particularly where visiting family members are able to provide direct support to clients. Where no alternative such as family support is available, ceasing services such as showering would potentially place clients at clinical risk. This suggestion would also be socially and politically unpalatable, especially with many clients living alone.

Bus Services

The Mirboo North RSL bus provides a valuable service to (predominately) elderly clients. This relationship allows Council the opportunity to support the welfare of our constituents with minimal cost and no capital outlay.

Private Works

Council is already providing private works in excess of target. Revenue for the six months to December 2017 is \$45,000 or 82% above target, generating (at marginal costs) an additional surplus of \$28,900. Increasing this as well as reducing administrative support staff is not practicable.

Travel Claims

The rate for Client Service Worker (CWS) travel claims was a point of contention during the last Enterprise Agreement (EA) negotiation. The outcome was a maximum claim of \$1.19 per kilometre for large vehicles capped for the term of the agreement, while smaller vehicles at 99 cents per kilometre would increase annually by 2% for the term of the agreement. These are substantially higher than the minimum award rate of 74 cents per kilometre. While the suggestion has been put; neither the ASU nor staff have actually agreed to such a change. Further, the consideration (page 9) for travel to be claimed through Australian Tax Office (ATO) would not be endorsed by Fair Work with a minimum rate at 74 cents per kilometre.

Personal Care

An argument for charging full kilometres for assistance with personal care (shopping) could be considered, however the counter argument is that the service cannot be provided without travel, and potentially Council would be disadvantaging access to the service. The suggested saving of \$4,350 is also minimal.

Cost of Community Transport for Dialysis

DHHS has previously been approached about the cost of community transport for dialysis. The Department concedes that funding for such transport is imbedded in the case-mix funding formula. Metropolitan health services provide this transport for their clients free of charge. The issue is more for clients themselves who are charged a kilometre rate by SGSC for this service. The actual net profit or loss from this program would be marginal, as the drivers are volunteers. The matter has been raised with DHHS officers who are adverse to interfere with the existing service system. Council choosing to “remove transport service for the severely ill” may be socially and politically sensitive.

Late Cancellation

Charging for late cancellation of community transport would generate very little income. It has historically not been charged as the service delivery is provided by volunteer drivers and not paid workers. The only cost to Council would be fuel, if the notification could not be relayed to the driver prior to departure.

Home Maintenance Contract

The contract for home maintenance is awarded through a tender process. The price and quality of the service provided by the current contractor is not being questioned.

Rostering and Kilometres for Client Service Workers

The final four dot points on page nine relate to rostering and kilometres for Client Service Workers. While these matters are reviewed by our administrative staff on a regular basis, rostering is currently a manual process and so we agree there may be an opportunity to improve through automation. The new Client Management System (Procura) will provide opportunities for automation. If implemented this should deliver some level of savings, however the extent of any potential savings are not currently known.

4. OBJECTIVE 3 - IMPROVE SOUTH GIPPSLAND'S BUILT ASSETS AND VALUE OUR NATURAL ENVIRONMENT

4.1. FISH CREEK QUARRY LEASE PROPOSAL

Infrastructure Directorate

EXECUTIVE SUMMARY

Council owns several parcels of land at the end of Fish Creek Quarry Road, Fish Creek which are currently leased to Goldsmith Quarries Pty Ltd (Goldsmith) for use as a quarry. The lease expires on 30 June 2018.

Council resolved to commence the statutory procedures (ss.190 and 223 of the Local Government Act 1989) at the Ordinary Meeting of Council 20 December 2017, and published a notice proposing to enter into a lease with Goldsmith for the Fish Creek Quarry for an initial term of ten (10) years with options of two (2) further terms of five (5) years each for a rental / royalties amount to be determined by a specialist quarry valuer (the proposal).

Council received three submissions and one late submission in response to the published notice and one submitter elected to be heard in support of their submission. A Special Committee of Council was held on 28 February 2018 to hear the submitter, however, the community member was not present at the meeting.

All submissions received have been included as **Confidential Attachments** for Council's consideration and determination of the proposal.

RECOMMENDATION

That Council:

- 1. Having considered submissions, enters into lease to Goldsmith Quarries Pty Ltd being part of CP165852 with an approximate area of 24.5Ha (shown bordered red in Attachment [4.1.1]) for an initial term of ten (10) years with options of two (2) further terms of five (5) years each for the royalties as determined by the specialist quarry valuer as per (Confidential Attachment [15.5.1]).**
- 2. Provides the following reasons for its decision to submitters:**
 - a. Council is aware of the significant flora and fauna values present at the site including the presence Gippsland Mallee, *Eucalyptus kitsoniana*. The area to the of west and south of the current extraction limits has been specifically excluded from future development due to the significance of the vegetation and the habitat it provides for native fauna.**

- b. Council is also transferring ownership of approximately 27ha of the site to South Gippsland Water (area east of the quarry) – approximately 92 per cent of this area contains indigenous vegetation.**
- c. The land transfer is being undertaken to:**
 - i. protect the flora and fauna of the area;**
 - ii. protect the landscape/visual amenity of the area (Hoddle Range);**
 - iii. protect and maintain water quality and quantity in the Battery Creek, Catchment (Fish Creek Reservoir); and**
 - iv. minimise erosion (through the retention of the indigenous vegetation).**
- d. The remaining areas outside of the proposed lease site (existing quarry) will also be managed to protect flora and fauna values and will include weed control and upgrading.**
- e. Management of the existing quarry is via the work authority issued by the Department of Economic Development Jobs Transport & Resources (DEDJTR). The quarry operator is required to prepare a work plan, which is endorsed and regulated by the DEDJTR. The work plan addresses a range of management issues including impacts to the:**
 - i. hydrogeology of the area;**
 - ii. local flora and fauna; and**
 - iii. rehabilitation (including an appropriate bond).**

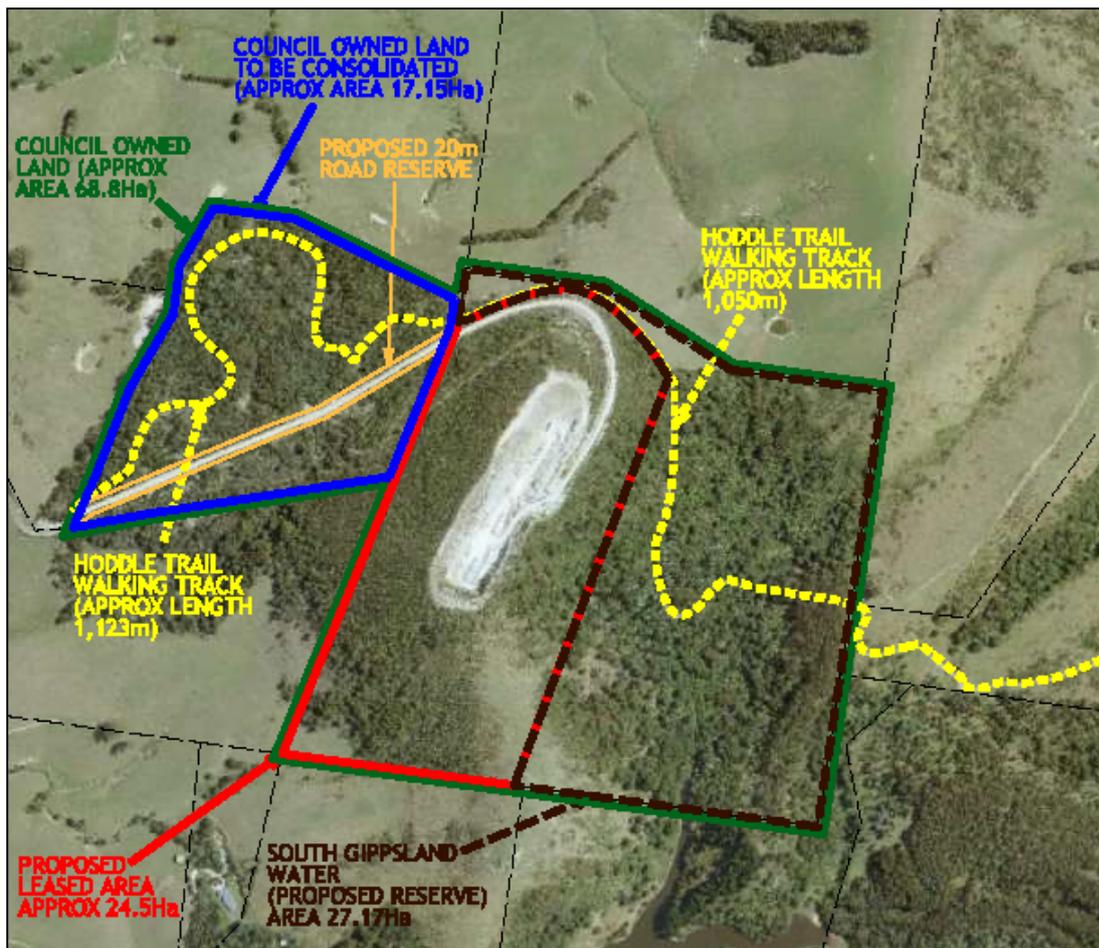
REPORT

Council owns several parcels of land (outlined in green in **Figure 1** below) at the end of Fish Creek Quarry Road, Fish Creek on which a quarry is located. All of the land is currently leased to Goldsmith Quarries Pty Ltd (Goldsmith) for use as a quarry. Goldsmith has a planning permit and the necessary work authority to operate the site as a quarry.

The lease commenced in 1998 with an expiry date of 2008 and was extended by exercise of options to 30 June 2018 when the lease expires. The lease has been transferred between different operators over time.

A plan is available in **Figure 1** below and a larger version in **Attachment [4.1.1]**).

Figure 1 – Fish Creek Quarry Plan



The current leased area includes land that falls within the Battery Creek Catchment overlay, areas of native vegetation that can't be quarried, and part of the Hoddle Mountain Trail.

Council resolved at its Ordinary Meeting of Council 20 December 2017 to reduce the leased area by excluding the Battery Creek Catchment area and access track, areas that can't be quarried, and part of the Hoddle Mountain Trail, whilst leaving sufficient area necessary for a quarry operations into the future. It also resolved to create the road reserve shown in **Figure 1** to provide a legal point of access.

CONSULTATION

Consultation in regards to the proposed lease has occurred as follows:

- Goldsmith – current tenant and operator of the quarry. Goldsmith is interested in continuing with a lease over the land.
- Russell Kennedy lawyers – legal advice and preparation of the lease (**Confidential Attachment [15.5.2]**).
- Planning department – planning permit.

- South Gippsland Water Corporation – confirmed agreement in principal to have the catchment area (highlighted black in **Figure 1** and **Attachment [4.1.1]**) vest with the Corporation and that the walking trail could continue.
- Earth Resources Regulation – Department of Economic Development Jobs Transport & Resources (DEDJTR) – regarding the work plan and works authority.
- C J Ham & Company – for valuation (**Confidential Attachment [15.5.1]**). **Note:** There is a typo in the valuation regarding the spelling of Ca Va Trois.
- Council Report 20 December 2017 – Council resolved to commence the statutory procedures in accordance with ss.190 and 223 of the Local Government Act 1989 to lease the Fish Creek Quarry to Goldsmith Quarries Pty Ltd.
- Public consultation process – a public notice was placed in the local newspapers inviting written submissions on the proposal from the community between 8 January 2018 and 6 February 2018 (s.223 of the Local Government Act 1989). Three submissions were received with one submitter electing to be heard in support of their submission (**Confidential Attachments [15.5.3] to [15.5.5]**).
- Special Committee of Council was held on 28 February 2018 to hear the submitter, however, the community member was not present at the meeting.

All submissions have been included for Council's consideration and determination of the Fish Creek Quarry Lease (**Confidential Attachments [15.5.3] to [15.5.5]**).

Officer Response to Submissions

Submission #1 was to be heard by the Special Committee of Council held 28 February 2018 but the submitter was not present at the meeting. The late submission was the same as submission #1. Submissions #2 and #3 are for the proposal, therefore officers have provided a response to Submission #1 below.

Council is aware of the significant flora and fauna values present at the site including the presence of Gippsland Mallee, *Eucalyptus kitsoniana*. The area to the west and south of the current extraction limits has been specifically excluded from future development due to the significance of the vegetation and the habitat it provides for native fauna.

Council is also transferring ownership of approximately 27ha of the site to South Gippsland Water (area east of the quarry). Approximately 92 per cent of this area contains indigenous vegetation.

The land transfer is being undertaken to:

- protect the flora and fauna of the area;
- protect the landscape/visual amenity of the area (Hoddle Range);
- protect and maintain water quality and quantity in the Battery Creek Catchment (Fish Creek Reservoir); and
- minimise erosion through the retention of the indigenous vegetation.

The remaining areas outside of the proposed lease site (existing quarry) will also be managed to protect flora and fauna values will include weed control and upgrading.

Management of the existing quarry is via the work authority issued by the DEDJTR. The quarry operator is required to prepare a work plan, which is endorsed and regulated by the DEDJTR. The work plan addresses a range of management issues including impacts to the:

- hydrogeology of the area;
- local flora and fauna; and
- rehabilitation (including an appropriate bond).

RESOURCES

Current rent is \$14,041 plus GST per annum, plus payment of royalties on sales of rock to Council and other purchasers.

Rental and/or royalties as per independent valuation.

Management of the lease.

RISKS

The risks to Council if the quarry operations cease are:

- a reduction in supply of road making material for rural purposes;
- a loss of Council revenue; and
- remediation of the site by the quarry operator will become Council responsibility.

If a lease is not granted works approvals cannot proceed.

Preferential treatment to current tenant is mitigated by discussions on a without prejudice basis and a requirement to comply with ss.190 and 223 of the Local Government Act 1989.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. Layout Plan - Fish Creek Quarry [4.1.1]

CONFIDENTIAL ATTACHMENTS

Confidential Attachments [15.5.1] – Valuation and Report - Fish Creek Quarry, **[15.5.2]** – Lease - Fish Creek Quarry and **[15.5.3]** to **[15.5.5]** Submissions – have been provided in accordance with s.77(2)(c) of the Local Government Act 1989, the Chief Executive Officer designates these items as confidential information on the grounds that it relates to s.89(2)(d) - a contractual matter, and (h) - any other matter which the Council or Special Committee considers would prejudice the Council or any persons.

These attachments are deemed confidential as information is commercial in confidence and prepared for Council's use only **[15.5.1]**, as information relates to contractual matters **[15.5.2]**, and to protect the privacy of the submitters **[15.5.3]** to **[15.5.5]**.

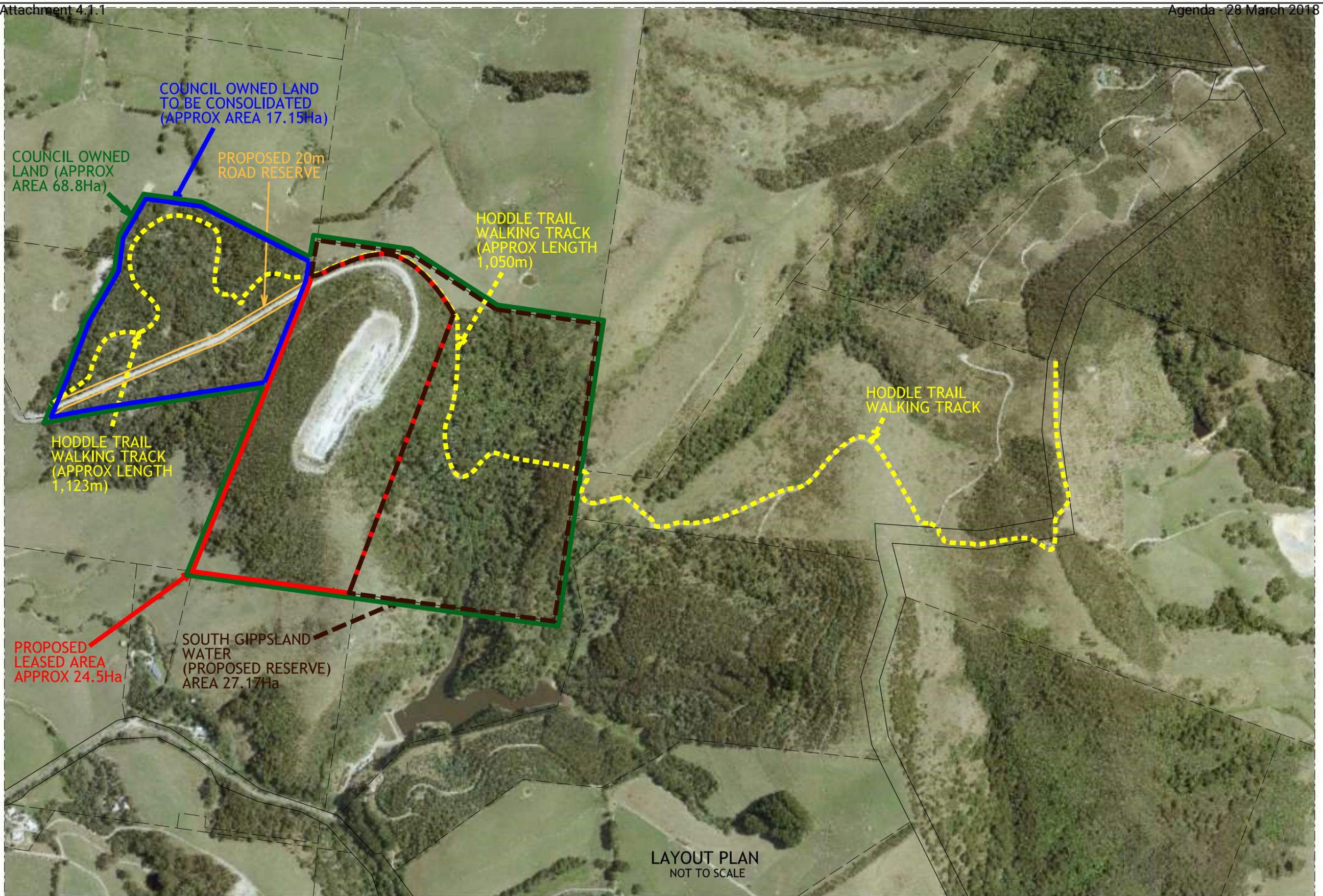
REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au
Leasing Policy 2014

Legislative Provisions

Local Government Act 1989



LAYOUT PLAN
NOT TO SCALE

F			
E			
D			
C			
B			
A	19/10/2017	PRELIMINARY LAYOUT PLAN	JT
ITEM	Ordinary Meeting of Council No. 421 - 28 March 2018		



SOUTH GIPPSLAND SHIRE COUNCIL
QUARRY PLAN
FISH CREEK QUARRY ROAD, FISH CREEK
LAYOUT PLAN

SURVEY	-	FILE		
DRAWN	J.TAYLOR	CHECKED	APPROVED	PLAN FILE No.
DESIGN	J.TAYLOR	P.CHALLIS	J.MOYLAN	-
DATE	19/10/2017	ENGINEERING COORDINATOR	MANAGER ENGINEERING	TRIM FILE No.
				-
		DATE	DATE	SHEET 1 OF 1

REV
A

4.2. COUNTRY FOOTBALL NETBALL PROGRAM (SRV) FUNDING APPLICATION

Infrastructure Directorate

EXECUTIVE SUMMARY

It is proposed to submit an application to Sport and Recreation Victoria (SRV) under the 2018/19 Country Football Netball Program on behalf of the Poowong Football Netball Club for the redevelopment of their outdoor netball court.

The Country Football Netball Program provides funding to assist country football and netball clubs, associations, and umpiring organisations to develop facilities in rural, regional, and outer metropolitan locations.

The Poowong Football Netball Club – Netball Court Redevelopment project is the only project considered eligible and ‘shovel ready’ for the 2018/19 Country Football Netball Program.

RECOMMENDATION

That Council:

- 1. Applies for \$100,000 in the next round of the Sport and Recreation Victoria 2018/19 Country Football Netball Program for the Poowong Football Netball Club – Netball Court Redevelopment project.**
- 2. Allocates the remaining \$30,000 from the 2018/19 Community Infrastructure Projects budget towards the project if the application is approved by Sport and Recreation Victoria.**
- 3. Allocates an additional \$20,000 from the 2018/19 Capital Works Budget towards the project if the application is approved by Sport and Recreation Victoria.**
- 4. Advises the Poowong Football Netball Club Committee that any project overruns are the responsibility of the committee to fund, in accordance with Council's Community Infrastructure Project Management Policy and Guidelines.**
- 5. Provides staff resources, with funding allocated in the total project costs, for management of the project if approved by Sport and Recreation Victoria.**

REPORT

On 25 January 2018, the Sport and Recreation Victoria's (SRV) 2018/19 Country Football Netball Program (CFNP) was announced by the Member for Eastern Victoria, Harriet Shing.

The CFNP provides funding to assist country football and netball clubs for:

- improvement or development of change room facilities for players and umpires of both genders;
- development or upgrading of football playing fields;
- development or upgrading of netball facilities; and
- development or upgrading of lighting facilities.

The 2018/19 round of the CFNP opened on 25 January 2018 and closes on 12 April 2018.

The funding ratio is SRV \$2: Local \$1 which is capped at \$100,000.

Applications to CFNP must be submitted by Council. Councils may be successful in receiving the total maximum funding of \$100,000 consisting of up to three applications per financial year.

The Poowong Football Netball Club is located at the Poowong Recreation Reserve, which is a crown owned reserve managed by the Poowong Recreation Reserve Committee. The reserve has two netball courts and four tennis courts.

A recent audit undertaken by Netball Victoria confirms that the match court is currently non-compliant due to inadequate court run off and lighting standards.

Project Scope

- Civil works
- Redevelopment of one new netball match court to meet compliance
- Resurfacing and relining of existing two tennis courts
- Competition lighting
- Shelters for the coaches, players and scorers

The total estimated project cost is \$200,000.

Budget Income

SRV CFNP Grant	\$ 100,000
Recommended club/community contribution	\$ 50,000
Recommended Council contribution	\$ 50,000

CONSULTATION

Council staff have liaised with representatives from SRV and Netball Victoria to ensure that the project is considered eligible and complies with Netball Victoria Facility Guidelines.

RESOURCES

Funding for these types of projects is made available through Council's Community Infrastructure Projects budget to cover Council's contribution to the project. The Community Infrastructure Projects budget is an allocation of funds through the annual budget to leverage external grant programs for community projects.

Funding of \$190,326 has been allocated in the 2018/19 Community Infrastructure Projects budget with funding of \$160,000 already committed for the following projects which have been recently approved through other SRV funding programs:

Leongatha Gymnastics Extension	\$ 60,000
Korumburra Skate Park Development	\$ 100,000

There is currently \$30,326 unallocated in the 2018/19 Community Infrastructure Project's budget. Should Council support the application, a recommended contribution of \$50,000 (matching the club/community contribution of \$50,000) from Council would be required for the Poowong Football Netball Club – Netball Court Redevelopment project. This would require an additional \$19,674 to be allocated to the project to meet Council's recommended contribution of \$50,000.

Although additional funds would be required outside of the 2018/19 Community Infrastructure Projects budget, Council does have capacity to accommodate the recommended \$19,674 towards the project without jeopardising the integrity of the long term financial plan.

As applications are to be submitted by Council, Council will be required to provide staff resources funded within the total project cost.

RISKS

If Council does not support the project, it will miss an opportunity to obtain external funds to develop a new netball court for the Poowong Football Netball Club to address the current non-compliant netball court.

To mitigate the risk of project cost overruns, it is recommended that the Poowong Football Netball Club be advised that any overruns are its responsibility to fund, in accordance with Council's Community Project Management Policy. This states that if funds are not available within the overall project budget, the applicant will be required to provide the additional funding.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au
C09 - Community Infrastructure Project Management Policy

Legislative Provisions

Nil

4.3. 2017/18 CAPITAL WORKS PROGRAM - STATUS UPDATE AND PROPOSED AMENDMENTS

Infrastructure Directorate

EXECUTIVE SUMMARY

Council adopts the Capital Works Program as part of the Annual Budget process, however, from time to time, program changes are required. This report proposes numerous project reductions and one increase to the 2017/18 Capital Works Program, including carry forward amounts to the 2018/19 financial year, equating to a \$1,034,837 nett reduction to the overall program for this financial year.

RECOMMENDATION

That Council:

- 1. Approve the following amendments to the 2017/18 Capital Works Program:**
 - a. Cost centre 93080 – Pools – Splash Hydrotherapy Pool/Gymnasium: reduce the budget by \$65,000 (2017/18 revised budget \$0).**
 - b. Cost centre 82270 – Korumburra Commercial Streetscape: reduce the budget by \$159,393 (2017/18 revised budget \$20,000).**
 - c. Cost centre 91010 – Drainage – Rehabilitation Program: reduce the budget by \$108,644 (2017/18 revised budget \$25,000).**
 - d. Cost centre 65350 – Agnes Falls: reduce the budget by \$650,000 (2017/18 revised budget \$50,000).**
 - e. Cost centre 65150 – Stony Creek Equestrian Centre: reduce the budget by \$60,000 (2017/18 revised budget \$30,000).**
 - f. Cost centre 43660 – Arthur Sutherland Stadium Welshpool: reduce the budget by \$50,000 (2017/18 revised budget \$150,000).**
 - g. Cost centre 43670 – Leongatha Knights Soccer Club: reduce the budget by \$125,000 (2017/18 revised budget \$75,000).**
 - h. Cost centre 93190 – Fish Creek Netball Club: reduce the budget by \$110,000 (2017/18 revised budget \$150,000).**
 - i. Cost centre 91010 – Pools – Renewal Program: reduce the budget by \$100,000 (2017/18 revised budget \$529,118).**
 - j. Cost centre 91010 – Buildings – Retirement Program: reduce the budget by \$56,000 (2017/18 revised budget \$24,800).**

- k. **Cost centre 65400 – Korumburra Showgrounds: increase the budget by \$100,000 (2017/18 revised budget \$688,503).**

REPORT

1. **Cost Centre 93080 – Pools – Splash Hydrotherapy Pool/Gymnasium: reduce by \$70,000**

2017/18 Adopted Budget:	\$65,000	Revised:	\$0
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This budget was intended for the design of the originally proposed dry area/gymnasium at Splash which was to be constructed in combination with the warm water pool. Consistent with recent advice from Council is that these works will not proceed at this stage and these funds will be used for the design of the spectator area along the southern wall adjacent to the main pool. It is therefore proposed to retain some of these funds and carry forward \$30,000 budget for the spectator area design works in 2018/19. The balance of \$35,000 will go to the bottom line.

2. **Cost Centre 82270 – Civil – Korumburra Commercial Streetscape: reduce by \$50,000**

2017/18 Adopted Budget:	\$179,393	Revised:	\$20,000
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This budget was intended for the civil design of the Commercial Street works based on the Korumburra Town Centre Streetscape Master Plan approved by the previous Council in May 2016. These design works have now been deferred as a consequence of the December 2017 Council decision to locate the Community Hub at the railway site. It is considered prudent to wait for the master plan and concept design process for the community hub to be completed so that any impacts from that process on Commercial Street, such as traffic access and parking can be accommodated in the civil design. An allowance of \$20,000 will be retained in the 2017/18 budget to cover costs to date including feature survey and it is proposed to carry forward the remaining \$159,393 budget to 2018/19 for the design works.

3. **Cost Centre 91010 – Drainage – Rehabilitation Program: reduce by \$108,644**

2017/18 Adopted Budget:	\$133,644	Revised:	\$25,000
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The major project under the Drainage Rehabilitation Program for 2017/18 was proposed works in Noel Court, Leongatha. Minor works on this drainage line in recent times seem to have alleviated the main issues. Recent flooding of the shops abutting the carpark behind the hotel in Foster is now considered to be a higher priority drainage issue. The rear of these shops have flooded a number of times in recent years and Council

is currently developing a design to address this drainage problem. There is insufficient time to deliver this project in 2017/18 so an allowance of \$25,000 will be retained in the 2017/18 budget to cover costs to date and for the design and it is proposed to carry forward the remaining \$108,644 budget into the 2018/19 Drainage Rehabilitation Program for the Foster works.

4. Cost Centre 65350 – Agnes Falls: reduce by \$50,000

2017/18 Adopted Budget:	\$700,000	Revised:	\$50,000
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The adopted budget for Agnes Falls was \$700,000 with an assumed income of \$350,000 which meant the Council contribution amounted to \$350,000. At the September 2017 Ordinary Meeting, Council approved the reallocation of \$170,000 from the Toora Dredging project to the Agnes Falls project resulting in a total budget of \$520,000 for Agnes Falls. Council agreed that the remaining \$130,000 from the adopted Toora Dredging project budget of \$300,000 would be allocated to the 2018/19 Footpath Extension Program.

There is insufficient time to deliver the Agnes Falls project in 2017/18. Detailed design for the cantilever viewing platform is currently being commissioned from the company who developed the concept design. An allowance of \$50,000 will be retained in the 2017/18 budget to cover costs to date, design, and other preliminary works, and it is proposed to carry forward the remaining \$470,000 out of the \$520,000 current budget into 2018/19.

5. Cost Centre 65150 – Stony Creek Equestrian Centre: reduce by \$60,000

2017/18 Adopted Budget:	\$90,000	Revised:	\$30,000
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Council agreed at the July 2017 Ordinary Meeting that the Stony Creek Equestrian/Expo Centre would be further considered as a priority project following the completion of a business case. An amount of \$90,000 was allocated as the budget for the business case and the subsequent design work. Tenders for the business case closed in January 2018 with no submissions received. Council is now directly approaching a company that has recently done a similar study for another Council. It is unlikely the design component will be completed in 2017/18 so an allowance of \$30,000 for the business case will be retained in the 2017/18 budget and it is proposed to carry forward the remaining \$60,000 budget into 2018/19 for design.

6. Cost Centre 43660 – Arthur Sutherland Stadium Welshpool: reduce by \$50,000

2017/18 Adopted Budget:	\$200,000	Revised:	\$150,000
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Council was successful with a grant application for replacement of the stadium floor and other associated works. Works could not commence until the end of the season in January 2018. A tender was advertised on 3 March 2018 and works are expected to run into July 2018. It is proposed to carry forward \$50,000 for the value of works outstanding at the end of the 2017/18 FY.

7. Cost Centre 43670 – Leongatha Knights Soccer Club: reduce by \$125,000

2017/18 Adopted Budget:	\$200,000	Revised:	\$75,000
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Council was successful with a grant application for the construction of new lighting and pitch modifications for the Leongatha Knights Soccer Club at Mary MacKillop Catholic College in Leongatha. Works could not commence until the end of the season in January 2018. A contract for the lighting was awarded in early March 2018 and these works are expected to be completed by June 2018. However, works on the pitch will run into 2018/19 and it is proposed to carry forward \$125,000 for the value of these works into next FY.

8. Cost Centre 93190 – Fish Creek Netball Courts: reduce by \$110,000

2017/18 Adopted Budget:	\$260,000	Revised:	\$150,000
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Council was successful with a grant application for the construction of a new competition court and associated lighting and change facilities for the Fish Creek Football/Netball Club. The grant funding was announced in late November 2017 and design works have subsequently been completed. A tender for these works was advertised in March 2018 and these works are not expected to be completed by June 2018. It is proposed to carry forward \$110,000 for the value of the works outstanding at the end of the 2017/18 financial year.

9. Cost Centre 93070 – Pools Renewal Program: reduce by \$100,000

2017/18 Adopted Budget:	\$529,118	Revised:	\$429,118
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The major outstanding project under this program are concrete works at the Toora Pool. These works cannot commence until after the pool season finishes on 15 April 2018. Tender documents have been prepared and a contractor will be appointed by that time, but it is likely that works will run into the 2018/19 financial year. It is proposed to carry forward \$100,000 for the value of expected outstanding works at the end of the 2017/18 financial year.

10. Cost Centre 65250 – Buildings Retirement: reduce by \$56,000

2017/18 Adopted Budget:	\$80,800	Revised:	\$24,800
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This budget covered the demolition of the old front office at the Foster depot and the old Korumburra Kindergarten. The Foster depot building was demolished in January 2018. The contract had just been awarded for the demolition of the old Korumburra Kindergarten when a decision was made in February 2018 to utilise that site for the interim Korumburra Library. That demolition contract has subsequently been cancelled. This means that \$24,800 will be required to finalise the Foster demolition works and the balance of \$56,000 will be allocated to the budget for refurbishing the old Korumburra Kindergarten site as approved at the Council meeting on 28 February 2018. The balance of the \$282,000 refurbishment works will be funded by the Korumburra Hub 2018/19 budget for the relocation and rent of an interim Library (\$163,000) and the 2019/20 budget allocated for rent for the interim Library (\$63,000).

11. Cost Centre 65400 – Korumburra Showgrounds: Increase by \$100,000

2017/18 Revised Budget:	\$588,503	Revised:	\$688,503
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The Korumburra Showgrounds project involves the reconstruction of the majority of the access roads around the reserve. The section from the South Gippsland Highway down to the grandstand was completed in January 2018. Significant difficulties were experienced with the construction of this section by Council's Depot Construction team where they encountered many unknown services, which necessitated changes to the drainage system, as well poor subgrade conditions where they had to remove large quantities of weak material and replace it with good quality material underneath the new pavement.

The section of access road adjacent the South Gippsland Highway remains to be completed but due to the construction issues described above, there are inadequate funds remaining in the budget for all of these works. It is estimated that an additional \$100,000 will be required to complete these works.

CONSULTATION

Discussions with the relevant Council officers managing the various projects in this report have taken place to ascertain the status of each project and the likely expenditure for 2017/18.

RESOURCES

The proposed amendments have a moderate change to the total budget for the 2017/18 Capital Works Program (reduced by \$1,384,837 meaning a net favourable position). The carried forward amount of \$1,284,837 into the 2018/19 financial year will increase the workload in that year.

The breakdown of the proposed changes are provided in **Table 1** below:

Table 1 – Proposed Changes (Budget Impact)

			2017/18 Original Budget	2017/18 Revised Budget	Favourable / (Unfavourable)
INCOME					
5	65350	Agnes Falls	350,000	0	(350,000)
Total Income			350,000	0	(350,000)

			EXPENDITURE		
1	93080	Splash Gymnasium	65,000	0	65,000
2	82270	Commercial Street Design	179,393	20,000	159,393
3	91010	Drainage Rehabilitation	133,644	25,000	108,644
4	65350	Agnes Falls	700,000	50,000	650,000
5	65150	Stony Creek Equestrian	90,000	30,000	60,000
6	43660	Arthur Sutherland Stadium	200,000	150,000	50,000
7	43670	Leongatha Knights	200,000	75,000	125,000
8	93190	Fish Creek Netball	260,000	150,000	110,000
9	93070	Pools Renewal Program	529,118	429,118	100,000
10	65250	Buildings Retirement	80,800	24,000	56,800
11	65400	Korumburra Showgrounds	588,503	688,503	(100,000)
Total Expenditure			3,026,458	1,641,621	1,384,837

			NET 2017/18 (Impact on Budget)		
Total Income			350,000	0	(350,000)
Total Expenditure			3,026,458	1,641,621	1,384,837
NET Favourable / (Unfavourable)					1,034,837

RISKS

The budget adjustments recommended in this report will minimise the likelihood of budget variation explanations for the remainder of the financial year by better aligning budgets with expected outcomes.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget 2017/18

Long Term Financial Strategies 2017/18

Asset Management Strategy 2017

Procurement Policy 2017

Legislative Provisions

Road Management Act 2004

5. OBJECTIVE 4 - ENHANCE ORGANISATIONAL DEVELOPMENT AND IMPLEMENT GOVERNANCE BEST PRACTICE

5.1. POLICY REVIEW: C51 COUNCILLOR SUPPORT AND EXPENDITURE

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Council has undertaken an extensive review of the C51 - Councillor Support and Expenditure Policy (C51 Policy) arising from an internal audit, commissioned by the Audit Committee, identifying areas where additional guidance to Councillors and staff in managing Councillors out of pocket expenses would be beneficial.

As part of the C51 Policy review, Councillors have also considered revised changes to the supporting CEO policy - CE04 Councillor Vehicle Policy (CE04 Vehicle Policy) and a new CEO policy – CE74 Bring Your Own Mobile Phone Device (CE74 Phone Policy). These two operational based policies provide specific guidance, direction and support for the allocation of vehicles to Councillors and an option to use personal mobile phones. These two policies will be endorsed by the Chief Executive Officer once the C51 Policy is adopted by Council.

The revised C51 Policy is presented to Council in **Attachment [5.1.1]** for consideration and adoption.

RECOMMENDATION

That Council:

- 1. Adopts the revised C51 Councillor Support and Expenditure Policy – March 2018, as contained in Attachment [5.1.1].**
- 2. Publishes the adopted C51 Councillor Support and Expenditure Policy – March 2018 (Attachment [5.1.1]) on Council's website.**

REPORT

The revised C51 Policy, contained in **Attachment [5.1.1]**, consists of the following major updates:

1. Clarification on the equipment provided to Councillors and associated responsibilities of Councillors;
2. Greater guidance on travel reimbursements;
3. Clarification that an allocation of a Councillor vehicle versus travel reimbursements is to be determined based on the least annual cost to Council;

4. Greater guidance and clarity regarding child care/family care reimbursements;
5. Greater detail on requirements and timeframes within which Councillors are required to submit reimbursement claims to ensure that claims are accurately and transparently reported in the quarterly Councillor Expenditure Reports and are correctly captured within the financial year to which they apply to ensure the integrity of Council's statutory financial reporting;
6. New inclusions on legal expenses and catering;
7. Requirement for late claims older than 60 days without any exceptional circumstances applying to their lodgement, non-standard/expenditure requests, or potential non-standard requirements likely to exceed \$2,000, are to be referred to Council for determination.

The revised C51 Policy pursues a proactive approach to achieving Council's Strategy 4.1 in the Council Plan 2017-2021 that sets the direction to:

'Increase transparency through more items being held in open Council meetings and communicating more clearly the reasons behind decisions.'

The revised C51 Policy encourages increased transparency, openness and accountability with regard to the use of resources by Councillors.

CONSULTATION

Council has undertaken an extensive review of the C51 - Councillor Support and Expenditure Policy (C51 Policy) arising from an internal audit, commissioned by the Audit Committee, that identified areas where additional guidance to Councillors and staff in managing out of pocket expenses would be beneficial.

As part of the review Councillors requested further information be collated and presented for consideration on kilometres travelled and the opportunity to utilise personal devices for Council business.

Briefings to review the C51 Policy and supporting CE04 Vehicle Policy and CE74 Phone Policy have been held with Councillors on 18 October and 8 November 2017 and 21 February 2018.

The revised C51 Policy has also been informed by the policies of other large rural councils, including but not limited to Surf Coast Shire Council, Colac/Otway Shire Council, East Gippsland Shire Council, Wellington Shire Council and Latrobe City Council.

The Executive Leadership Team has considered the revised CE04 Vehicle Policy and CE74 Phone Policy. These will be presented back to the Executive Leadership Team for final endorsement once C51 Policy is adopted. This will ensure the suite of associated policies are aligned and consistent.

The CE74 Phone Policy will be reviewed following a year of use to determine if the application of the policy is the most efficient use of Council resources.

RESOURCES

Council provides resource support within annual and long term budgets to assist Councillors to fulfil their civic duties. Actual out of pocket expenses incurred are reimbursed in accordance with sections 75, 75B and 75C of the Local Government Act 1989 and set out in each Council's reimbursement policy.

Every Council must have a Councillor Reimbursement Policy that ensures appropriate financial governance and provides the required resources and facilities prescribed for the purposes of this section of the Act. Council's revised Councillor Support and Expenditure Policy C51 includes the minimum toolkit, as prescribed by the State Government, along with additional resources considered appropriate to support Councillors in their role.

RISKS

One of Council's top ten strategic risks relates to Council Governance and Business; particularly non-compliance with policies and general civic responsibilities leading to reputational damage, legislative non-compliance, reduced community satisfaction, increased cost and decreased organisational efficiency.

The internal audit function is one activity that assists Council to manage this risk. Responding pro-actively to recommendations aimed at strengthening Council's risk management response, mitigates the strategic risk and the potential damage that could result in poor policy definition and application.

The C51 Councillor Support and Expenditure Policy, has been strengthened to provide greater clarity to Councillors and transparency to the community on the resources that can be claimed for legitimate and necessary Council business. While a wide range of expenses may be deemed as 'legitimate' Council expenses, the revised C51 Policy requires Councillors to substantiate claims by also articulating why they were 'necessary'.

The quarterly Councillor Expenditure Report provides transparency to the community on the extent and types of reimbursement paid to Councillors.

The Annual Report at the end of the financial year contains the full year's expenditure. The revised time requirements for submitting reimbursement claims in the C51 Policy supports the ability to provide current and accurate reports to Council.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. C 51 - Councillor Support and Expenditure Policy - March 2018 **[5.1.1]**

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Council Plan 2017-2021, Objective 4

C51 Councillor Support and Expenditure Policy

Council Internal Policy

CE04 Councillor Vehicle Policy

CE74 Bring Your Own Mobile Phone Policy

Legislative Provisions

Local Government Act 1989, ss.75,75B, 75C and 76A

Local Government Victoria Guidelines

Information Guide – Mayor and Councillor Entitlements November 2008



COUNCILLOR SUPPORT AND EXPENDITURE POLICY

Policy Number	C51	Directorate	Corporate & Community Services
Council Item No.	X.X.1	Department	Innovation & Council Business
Council Adoption Date	28 March 2018	Primary Author	Coordinator Corporate Planning & Council Business
Revision Date	March 2022		

POLICY OBJECTIVE

To:

1. Establish policy framework for reimbursement of out-of-pocket expenses and provision of resources and facilities support for the Mayor and Councillors of the South Gippsland Shire Council, in a way that is consistent with industry standards and supports the attraction and retention of Councillors from a wide cross section of people; and
2. Review and replace Councillor Support and Expenditure Policy C51 dated 27 July 2016.

This policy does not cover the payment of Mayoral and Councillor Allowances because these are subject to periodic determination by Order in Council made by the Governor in Council pursuant to s.74 of the Local Government Act 1989 (LGA).

POLICY STATEMENT

Councillors will necessarily incur out-of-pocket expenses in the performance of their roles. Community members expect that Councillors will endeavour to keep their costs to a minimum.

This policy is based on:

1. Councillor conduct principles as prescribed by ss.76B and 76D of the LGA.
2. Encouraging diversity in participation, equity and access by recognising that:
 - Councillors operate in a complex environment and bring unique skills and insights to the role;
 - Diversity in participation and access to local representation contributes to well-informed decision making involving the community;
 - The role of Councillor should attract and retain a wide cross section of people, including those from under-represented groups;
 - Councillors need to be accessible to a wide range of constituents and remain informed about issues in the community. These are an important part of the role and access to the internet is essential to facilitate this;



- Councillors are supported in undertaking their duties by ensuring that expenses are reimbursed and required resources are provided in an equitable manner to cater for the full participation of all Councillors in Council business and with their communities, while recognising individual needs and circumstances;
 - Councillors are required to attend formal Council meetings and participate in a broad range of community activities; and
 - The Community, Council and the State Government expect that resources are used judiciously within a rate capped environment.
3. Encouraging accountability, transparency and community acceptance by:
- Adopting and adhering to this policy;
 - In addition to providing expenses reimbursement, adequately reflecting the basic minimum toolkit of resources and facilities entitlements available to a Mayor and Councillors;
 - Providing flexibility to determine what Council can afford to provide beyond the minimum toolkit and what is acceptable to the community;
 - Ensuring the range of benefits provided to Councillors are clearly stated and fully transparent and acceptable to the local community.
4. Supporting local flexibility according to complexity, needs and standards by recognising that:
- Councillors will necessarily incur out-of-pocket expenses in the performance of their duties. These are duties performed by a Councillor that are required to achieve the objectives of Council, having regard to any relevant Act, Regulations, Ministerial Guideline or Council Policies (Refer ss.75 to 76 of the LGA);
 - Councillors require a 'minimum toolkit';
 - Council has a responsibility to establish and define an appropriate and reasonable level of provision beyond the 'minimum toolkit'. This will take into account differences between Councils and levels of complexity of Councils indicated by population size and revenue base to enable Councillors to carry out their civic role; and
 - The provision of resources and support should conform to legislative and statutory requirements or accepted benchmarks and standards applied in the Sector.
5. No disadvantage, in that Mayoral and Councillor Allowances are provided separately to reimbursement of expenses and the costs of facilities / resources support.



Councillor Support

Council will provide the following which includes a 'minimum toolkit' for expenses, support and resources as prescribed in the regulations and guidelines provided by Local Government Victoria, as amended from time to time.

The 'minimum toolkit' includes:

1. Resources - Facilities and Equipment (mandatory):

- Administrative support for the Mayor;
- Office for the Mayor;
- Vehicle for the Mayor;
- Computer/laptop or tablet device and associated chargers for all Councillors;
- Councillor accessible document portal (for example, Docs-on-Tap) as part of Council's online environment (this will be provided through the device).
- Mobile phone (and landline if there is inadequate mobile coverage at a Councillor's normal residence). Councillors may also refer to Policy CE74 - Bring Your Own Mobile Phone Device, providing guidance for using a Councillor's own personal mobile phone that allows a fixed amount per month to cover Council related calls and data use;
- Stationery;
- Access to fax / copier / incidental printing (smallest number of pages possible) at Council offices, or for printing own copies of Council briefing papers and Agendas. Any printing outside of this requirement requires the approval of the Mayor.

Council resources will not be provided for personalised Ward newsletters (Council resolution 27 April 2016); and

- Website containing Councillors' names, photos, contact details and associated links to facilitate participation and access between Councillors and the community.
- Council will arrange for the installation of equipment and software and provide the necessary maintenance and consumable products required for their operation on Council owned equipment.

The Mayor and Councillors are provided with a Council mobile phone or may use their own mobile phone in accordance with the CEO policy CE74 - Bring Your Own Mobile Phone. The use of any other personal laptop/tablet or equivalent device is not supported. Councillors are required to keep their personal interests and obligations separate from Council related business, as required by s.76BA(a) of the LGA, and to minimise the risk of security breaches. Security breaches may create adverse impacts on Council's network or lead to privacy breaches by exposing data which may include the personal information of community members. Such breaches may be costly to remediate and/or cause significant damage to Council's reputation.



Council takes no responsibility, or legal liability, for Councillors' use of equipment, software or systems that are not provided by Council.

Councillors are required to report any suspected virus activity, loss or breach of data, damage or malfunction of equipment to the Office of the Chief Executive as soon as practicable.

2. Reimbursement for Out-of-Pocket Expenses:

- Travel – reimbursement of public transport costs can be claimed where the primary purpose of the trip is for Council business and where the use of a Councillor vehicle is either not available or public transport is a more cost efficient option. (CE04 Refer Councillors' Vehicle Policy).
- Travel – reimbursement of Private Vehicle Usage is for:
 - a. Travel where the primary purpose of the trip is for Council business; (CE04 Refer Councillors' Vehicle Policy).
 - b. Kilometres are eligible to be claimed measured from (and to) the Councillor's place of residence, or from a journey's commencement (or end) point, whichever is the closest to the Council offices or designated meeting location.
 - c. Where a journey's originating (or end) point is further away than the Councillor's place of residence, reimbursement will cover the equivalent kilometres as if it were from (to) the place of residence. Remaining kilometres travelled should be distinguished as personal travel in the log book. i.e. it is the portion of travel that is incremental to a Councillor's daily commute that is claimable from Council.
 - d. Travel reimbursement rate and payments will be paid in accordance with the CE04 Councillor Vehicle Policy.
- The following are eligible for travel reimbursement:
 - a. Council Meetings and Assemblies of Councillors
 - b. Standing Committee or Advisory Committee meetings of Council when the Councillor is the nominated representative/substitute, or otherwise by approval of the Mayor;
 - c. Regional meetings where the Councillor claiming reimbursements is Council's endorsed representative and travel is not paid/reimbursed by the regional organisation or meeting convenor;
 - d. Functions to which Councillors are invited by organisations (attendance by partners/spouses must be paid by the Councillors) and where there is a direct involvement of Council;
 - e. Travelling expenses incurred by Councillors for inspection of sites/matters raised by members of the community, and/or related to current / imminent Council Agenda items, which are required to support Councillors in forming an opinion. The purpose, destination, subject matter, date and time are required to be captured in the log book;
 - f. Approved training, conferences and seminars.



- The cost of any penalties incurred for road, traffic, parking infringements or other regulations or laws, cannot be claimed;
- Parking Fees (Does not include valet or personalised service parking where these costs are higher than other standard parking facilities available in close proximity);
- Phone – reimbursement of relevant Council related call costs, where the Council provided mobile phone or landline (where provided) cannot be used. (Refer also to Policy CE74 – Bring Your Own Mobile Phone Device);
- Internet at normal place of residence (where Council internet provision is not available through the tablet/mobile phone); and
- Child care / family care – expenses reimbursed for the care of a dependant whilst the Councillor is engaged in Council duties, such as attending a Council related meeting or event, plus reasonable travel time.

Where the care relates to dependent adults, the Chief Executive Officer must be satisfied that the expense is appropriate.

Family care expenses include hourly fees paid by the Councillor and/or agency booking fees where applicable. The following will be eligible for the purposes of child/dependent care reimbursement:

- a. Council Meetings and Assemblies of Councillors
- b. Standing Committee or Advisory Committee meetings of Council when the Councillor is the nominated representative/substitute or otherwise by approval of the Mayor;
- c. Regional meetings where the Councillor claiming reimbursement is Council's endorsed representative and child/dependent care is not paid/reimbursed by the regional organisation or meeting convenor;
- d. Functions to which Councillors are invited by organisations (attendance by spouses/partners must be paid by the Councillors) and where there is a direct involvement of Council;
- e. Child/dependent care expenses incurred by Councillors embarking on sites/matters raised by members of the community, and/or related to current / imminent Council Agenda items, which are required to enable the Councillor to form an opinion.

The purpose, destination, subject matter, date and time are required to be provided to support the claim;

- f. Approved training, conferences and seminars;
- g. No payments will be made to a person who:
 - I. Has a financial or pecuniary relationship with the Councillor; or
 - II. Resides either permanently or temporarily with the Councillor, except where a live-in / professional helper such as a nanny is required to work additional time at extra expense because of the Councillors duties. In these occurrences the extra payment can be claimed; or



- III. Has a relationship with the Councillor or his or her partner such that it would be inappropriate for Council to reimburse monies paid to the Care Provider; or
- IV. Has a relationship as a family member as defined in section 78 of the Act.

3. Insurance

Councillors are covered by the following Council insurance policies while discharging their duties as a Councillor:

- Public Liability
- Professional Indemnity
- Councillor and Officer Liability
- Personal Accident Insurance (Covers interstate and overseas travel)

The Council will pay the insurance policy excess in respect of any claim made against a Councillor where the claim is accepted by Council's insurers, whether defended or not.

Councillors will not be covered for any deliberately fraudulent act or omission, or any wilful violation or breach of any law.

Councillors must promptly advise the Chief Executive Officer of any matter which may give cause to a potential claim on Council.

Resources In Addition To The Minimum Toolkit

The following has been determined by Council to be in required in addition to the 'minimum toolkit'

- The optional provision of a motor vehicle to individual Councillors, in lieu of travel reimbursement, (except in cases where use of pool car is not practicable e.g. interstate travel) will be in accordance with CEO Policy CE04 Councillor Vehicle Policy. The provision of a vehicle will be determined based on least annual cost to Council.

Note: Council retains the right to review the level of annual travel reimbursement claims that are higher than the cost of providing a Council vehicle and issue a Council vehicle to the Councillor for Council business usage.

- Access to office space and furniture in the form of a Councillor's room;
- For any Councillor with a disability Council may resolve to provide reasonable additional facilities and expenses, which may be necessary for the performance of their duties;
- Access to Council email and internet;
- Meals (lunch and dinner) shall generally be provided where meetings are scheduled during meal times.



- Council officer nominated to provide limited incidental support to Councillors for Council business requirements;
- Incidental postage of Council related mail through Council's mail system however a copy of the mail will be kept by Council. Any postage beyond this requirement requires the approval of the Mayor;
- Reimbursement of reasonable expenses necessarily incurred while entertaining visiting guests on behalf of Council or attending meetings, seminars or conferences (separate to accommodation and travel expenses) including the reasonable cost of drinks accompanying a meal.
- The Council or CEO must provide prior approval to any such entertainment / seminar / conference or meeting for which reimbursement will be sought, unless the Councillor is Council's nominated representative for the event concerned;
- Payment and re-imburement of training, conference and program fees incurred in undertaking training and development activities to acquire new, or to enhance existing skills required to assist a Councillor in performing their role as a Councillor, or to achieve wider Council goals. Any learning opportunities identified are to be approved by the Chief Executive Officer.

Where appropriate, Councillors are encouraged to report the outcome of the activity to Council at the next appropriate Council meeting (and Briefing Session if applicable) upon completion of the activity.

Where available, use of meeting rooms owned and controlled by Council where a Councillor is in attendance;

- Transcripts specifying sections required of a recorded Council meeting. Requests are to be made through the CEO;
- Requests for Information and/or assistance from staff, beyond that provided in briefings and published on the Councillor intranet (e.g. Docs-on-Tap), are to be made through the relevant Director and will be managed at the Director's discretion. (refer C 66 - Councillor Access to Council Information Policy 2016)
- Access to the Local Government Act 1989 and other legislation on-line at <http://www.legislation.vic.gov.au/>,
- Infosum weekly bulletin of Council information, relevant publications, local and industry events and other general information published on-line through the Councillors' intranet (excluding publications in the second half of December and the month of January); and
- Business cards, name badges and an electronic diary (a hard copy diary may be provided on request).

All equipment provided by Council under this policy must be returned to Council at the end of a Councillor's tenure.

Council resources are not to be used for any electioneering purposes.



Interstate and Overseas Travel

Discretionary interstate trips, interstate travel and attendance at interstate conferences in relation to Council business, requires approval of the Chief Executive Officer prior to the event.

Overseas travel in relation to Council business requires approval by resolution of Council prior to the event.

In both of the above circumstances it would be likely that a Councillor would be the Council's appointed or nominated Council representative, such appointment or nominations generally being made at the annual Statutory Meeting of Council.

Where travel is by air, the standard form of travel will be economy class.

It is expected that a Councillor will provide a full report of the outcomes of their travel to the next meeting of the Council after the travel occurs.

Registering All Interstate and Overseas Travel

Councillors must, within seven days after the completion of a trip, record the following details in Council's Local Government Register (Refer Local Government (General) Regulations 2015 clause 12 for specific requirements regarding interstate and overseas travel) and the provision of original receipts:

- Councillor Name;
- Destination;
- Date/s of travel;
- Purpose of travel; and
- Total cost to the Council including accommodation costs.

Councillors do not need to register interstate travel by land that is for less than three days duration.

Overseas mobile phone and data usage

International use of mobile phones or electronic data connections on a Council provided tablet, including associated roaming charges, require CEO approval prior to departure and expenditure is limited to a maximum of \$600.

Councillors are able to minimise these costs by disabling the data roaming capability as well as turning the phone off except when making a call and using SMS, (or WhatsApp messaging when WiFi connected) to keep costs as low as possible. Internet access when travelling overseas should only be used when the phone is able to be connect through a WiFi network.



Claims for Reimbursement

All reimbursement claims must be lodged and received by the Support Officer to the Mayor and Councillors for authorisation within 60 days of expenditure being incurred.

Claims must be made on appropriate claim forms, signed by the Councillor and with supporting documentation such as receipts, log book entries and invoices attached.

Reimbursements claims received that exceed the 60 days, where no exceptional circumstances delaying their presentation exist (e.g. extended leave), must be referred in an open report for Council

Reimbursement claims older than 6 months will not be paid. (Council's finance department is required to manage expenditure within a financial reporting period).

Claims that are not able to be substantiated/justified through documentation as supporting necessary Council business, will be referred to Council to determine if reimbursements should be paid.

At the end of each Financial Year all claims, regardless if their incurred date is less than 60 days, must be submitted to the Support Officer to the Mayor and Councillors for authorisation by 7 July (within 7 days of the end of the financial year), so that they can be paid in the year in which they were incurred. Late payments received after this date are to be referred to Council to approve payment in the following financial year.

Limitations on Resource Usage

A Councillor should seek authorisation from the Council through the Mayor prior to using public funds or resources for any purpose that is not a standard/regular practice or likely to incur expenditure that may not be deemed an acceptable use by the broader community. (Refer Council resolution 27 April 2016)

A Council resolution is required where expenditure is likely to exceed \$2,000 prior to using public funds or resources for any purpose that is not a standard/regular practice or likely to incur expenditure that may not be deemed an acceptable use by the broader community.

Legal

Any legal costs or expenses incurred by a Councillor shall be the sole responsibility of that Councillor, other than legal costs or expenses which have been approved by Council resolution, or which are otherwise payable in accordance with a Council Policy.

For the avoidance of doubt, Council Policy includes this policy and any validly constituted and accepted claim made in accordance with the Insurance clauses specified earlier.



Internal/External Audit Review of Claims

Support provided under this policy, including details of all reimbursement claims, interstate and overseas travel, will be subject to review by the Internal Audit Committee on an annual, or as requested, basis.

Compliance with this policy may be subject to review by Council's Internal Auditors from time to time.

The Victorian Auditor General's Office (VAGO) may also request to review claims for reimbursement by Councillors, as part of the review of Council's financial management.

Transparency through Council Reports on Expenditure

A quarterly report with a final end of financial year report will be presented to Council providing transparency on Councillors' expenditure and reimbursements. These reports will include as a minimum: vehicle usage, accommodation, allowances, remoteness allowances, transcripts, training, conferences, travel, parking fees, mobile phone (including bring your own mobile phone device allowance), landline, internet, printing and stationery.

RISK ASSESSMENT

Misuse of Council resources (fraud) and reputational risk is minimised by providing:

- Consistency with current legislation;
- Adequate support to Councillors to carry out their responsibilities effectively;
- Approval requirements for resource usage beyond the levels of mandatory and general incidental use;
- Auditing of Councillor expenditure and support against this policy; and
- Transparency and accountability in respect to payments made and expenditure incurred to/by Councillors.

IMPLEMENTATION STATEMENT

Implementation of the policy will be by:

- Distribution of the policy to all Councillors;
- Making the policy available for public inspection at the Council Office; and
- Publication of the policy on the Council website.

POLICY DEFINITIONS

Council	South Gippsland Shire Council
Incidental	A minor number / the smallest number possible
LGA	Local Government Act 1989
Necessary	Needed in order for something else to happen



REFERENCE DOCUMENTS

Legislative Provisions, Standards, Guidelines and Principles

Local Government Act 1989 Sections 75, 75A, 75B and 75C Local Government Act 1989;

Local Government Act (General Regulations) 2015;

Information Guide Mayor and Councillor Entitlements reimbursement of expenses and provision of resources and facilities support for Victorian Mayors and Councillors - November 2008.

Policy CE74 – Bring Your Own Mobile Phone Device.

Policy CEO4 – Councillor Vehicle Policy.

COUNCIL POLICY

COUNCIL POLICY

COUNCIL POLICY

COUNCIL POLICY

6. OTHER COUNCIL REPORTS

6.1. WALKERVILLE RETARDING BASIN REPORT

Executive Office

EXECUTIVE SUMMARY

Over a number of years Ansevata Nominees Pty Ltd (Ansevata) has both publicly and via private correspondence to Council, asserted that there are issues arising from the 1990 Water Taking Agreement (the Agreement) that the company entered into with the former Shire of Woorayl relating to the Council-owned retarding basin (the Basin) that serves Promontory Views Estate (**Attachment [6.1.1]**).

Council's view is that there have only ever been two issues related to the Basin; one historical and one that is in the process of being resolved.

The first issue arose from an ambiguous clause in the Agreement, which Council (and its legal representatives) read as giving Council access to some of the water in the Basin. This issue is resolved.

The current issue relates to Council's responsibility to maintain the capacity of the Basin at or above 13.5 megalitres. The most recent survey of the Basin indicated that current capacity is 13.2 megalitres. Council resolved at its October 2017 Ordinary Meeting of Council to allocate \$20,000 to raise the Basin outlet structure by 100mm thus increasing the capacity of the Basin to approximately 14 megalitres (**Attachment [6.1.2]**). Ansevata has objected to Council's decision.

At this point, Council perceives itself to be an unwilling participant in a dispute without foundation. It is hoped that this report will give all interested parties confidence that there are no ongoing issues in relation to the Basin or the Agreement.

The company has continued to raise concerns about the company's right to use water from the Basin. Ansevata's concerns are many and varied, however they concentrate on:

1. An occasion in late 2015, when Council took not more than 0.5 megalitres of water for Council roadworks (now resolved).
2. Assertions that the Basin water is not of adequate quality for Ansevata to water its stock or irrigate its pasture or crops. This concern includes an unsupported assertion that particular EPA Guidelines apply and that the water quality fails to meet those Guidelines.
3. Assertions that "untreated" septic tank waste water from Promontory Views Estate properties finds its way into and contaminates the Basin.

4. Assertions that the Basin was to have a capacity of not less than 13.5 megalitres and that “toxic” sediment has been allowed to build up diminishing the capacity.
5. Assertions that (based on a single occasion in March 2016, when one – likely aberrant – water quality reading taken by Council showed a very high reading for E.coli) Council’s warning to Ansevata not to take water, subsequently meant that Ansevata was “forced” not to take water from that time forward.
6. A claim that Council owes Ansevata not less than \$198,892.06 based on Ansevata’s view that it cannot take the Basin water and that the cost of alternative water should be borne by the Council.

Council has continued to respond to Ansevata’s complaints and questions, provide water quality monitoring results, and otherwise comply with its obligations to make the water available to Ansevata. Despite numerous responses and a number of meetings, Ansevata continues to write regular letters of complaint or concern and threatens legal proceedings. The company also continues to promulgate various “remedies” to its perceived issues, some of which – for example, a large dam and associated wetlands – would have a significant financial impost on the broader South Gippsland community. Ansevata representatives have also made public statements suggesting that having the adjoining property rezoned for development purposes would provide a “solution” to “water disposal issues” and “leaky septic” at Promontory Views Estate.

The purpose of this report is to detail recent steps taken by Council staff to use a variety of internal and external (independent) testing assessments and reports to technically and scientifically test the assertions of Ansevata company officers or representatives.

There is significant detail set out below, however, in summary:

1. The Council did in late 2015, take 476 kilolitres (ie: 0.476 megalitres) of water for Council roadworks on the understanding that it held that legal right. The legal proceeding that followed this was settled with Council confirming it had no need or intention to take any water from the Basin in the future.
2. Council has obtained independent testing and advice in relation to alleged contamination of the sediment and water, and the potential for that to adversely impact either stock or pasture. That testing shows:
 - a. No adverse impact on Basin sediment;
 - b. Water quality standards that support the irrigation of pasture and a range of other potential crops;
 - c. No likely impact on stock.

3. The evidence is that there is no “untreated” septic tank waste entering the Basin through sediment or stormwater, and even if that had or did occur, there is no evidence that this has impacted the water quality for Ansevata’s stated purposes as specified in the Agreement.
4. The evidence is that the sediment build up impacting capacity, is relatively minimal and the minor works mentioned above will restore the capacity.
5. The decision of Ansevata not to take water is one solely of Ansevata. The single very high, and likely aberrant, reading was two years ago and on numerous subsequent occasions Council has advised Ansevata it can take water as it wishes.
6. The alleged Council debt of \$198,892.06 for an alternative water supply has no merit in that:
 - a. It was and is Ansevata’s decision not to take the water;
 - b. It does not appear Ansevata actually purchased water from any other source as some form of replacement, therefore suffered no cost or damage; and
 - c. The amount of the debt is effectively fabricated based on water prices from other sources, then placed on an Ansevata invoice.

RECOMMENDATION

That Council:

1. **Accept this report reflecting and answering the concerns of Ansevata Nominees Pty Ltd and the proposed actions by Council.**
2. **Proceed with the minor works to reinstate the capacity of the Walkerville Retarding Basin.**
3. **Continue to meet its obligations under the 1990 agreement between the Shire of Woorayl and Ansevata Nominees Pty Ltd in relation to:**
 - a. **Making the water supply available;**
 - b. **Providing details of monitoring.**
4. **In accordance with its statutory and regulatory responsibilities, continue with the management, review and assessment of septic tank waste water systems within Promontory Views Estate.**
5. **Invite Ansevata to collaboratively renegotiate the terms of the 1990 agreement, including any wish by Ansevata itself to measure, manage or treat the Basin water, before it takes that water for its own purposes.**

REPORT

Background

A series of previous reports and descriptions has been provided to Council, however, a summary of the background is set out below:

1. The former Shire of Woorayl entered into an Agreement for Taking of Water with Ansevata Nominees Pty Ltd (Ansevata), a company owned and controlled by the Rich family, which includes a current Councillor, Cr Jeremy Rich.
2. At the time of the Agreement, the Shire agreed to purchase from Ansevata the land abutting Promontory Views Estate (now "Basin Land") at what was then considered to be a market value of the land. Two crucial elements of the contract for sale of land were:
 - a. Conditions requiring the Agreement to allow the taking of water; and
 - b. Securing the Agreement by right in the nature of easement over the Basin Land.
3. There are a number of drafting deficiencies in the Agreement, with a number of vague and ill-defined terms, and a lack of certainty about the detail of particular rights and obligations. Key uncertainties include:
 - a. Whether Ansevata is entitled to all of the water, subject only to the "50% and 30 day" rule (discussed below) including whether the Council could remove and use water beyond the "50% and 30 day" amount.
 - b. A constraint on Ansevata in that it must take no more than 50% of the water in the Basin over any 30 day period. The uncertainty of this right, namely what it means, makes unambiguous interpretation almost impossible. For example, as each day passes, does the commencing amount, and therefore the amount that may be taken, vary?
 - c. The original proposed Clause 6 indicating the Council gave no warranty as to water quality was (by a late amendment to the Agreement) changed to state that no quality warranty applied:
"other than the irrigation of pasture and crops and watering of stock."
 - d. The Shire at the time took advice from the then Department of Agriculture, which indicated that the Shire should have no concerns about entering into the Agreement with a warranty as to a stock and irrigation purpose.
 - e. At Clause 8 it provides:
"The Shire shall, at least six times per year at no less an interval than one calendar month, and at such other times when the Licensee has

reasonable grounds to believe that the waters of the dam may be polluted, take samples of such waters and have them tested for biological and chemical pollution in accordance with methods recommended by the Environment Protection Authority and make the results of such tests available to the Licensee."

- f. Although the clause references the testing methods recommended by the EPA (and the EPA has never recommended any), Ansevata maintains that this clause means the parties should look to the EPA as to what appropriate quality parameters might be. In more recent years, the EPA has released the Guidelines for Environmental Management – Use of Reclaimed Water, which is principally directed at the re-use of reclaimed waste water (ie: from sewerage treatment plants).

- g. Also at Clause 8 it provides:

"It is expressly agreed that the Shire shall take all necessary action to prevent untreated septic tank effluent being discharged into the dam."

There is no definition of what "untreated" or "septic tank effluent" mean.

- h. Ansevata continues to assert that there is "toxic" material entering the Basin and, in turn, making the sediment "toxic". Ansevata has never provided an example of when this might have occurred, or any impact on Ansevata stock or pasture.
- i. Clause 2.2 required that the Basin be built to a capacity of 13.5 megalitres. The Basin was built to a storage capacity of 13.5 megalitres with an over-topping capacity of 15.6 megalitres. Whilst the Agreement contains no positive maintenance obligation on the Council, Council officers have taken the view that, broadly, effort should be made to maintain at least the capacity of 13.5 megalitres.

Recent Reports and Investigations

Basin capacity

1. Council obtained a survey of the Basin, which estimated the current capacity of the Basin to be 13.2 megalitres, a 2 per cent reduction in the capacity from its required 13.5 megalitres. Council has undertaken subsequent work to consider this issue in more detail, including engaging an independent engineering firm to assess the capacity of the Basin (**Attachment [6.1.3]**). The assessment concludes minimal sedimentation in the Basin compared to design level. The report also indicated that dams may settle between 25 and 50mm in the first few years after construction, which may have also led to the reduced capacity of the Basin.
2. Southern Rural Water has also undertaken an inspection of the Basin and recommended some remedial works to ensure the integrity of the Basin. These works will be undertaken at the same time as the capacity is reinstated (**Attachment [6.1.4]**).
3. As detailed in the report to the October 2017 Council Meeting, the basin capacity can be reinstated to approximately 14 megalitres at a cost of \$20,000.

Sediment Quality and Water Quality

1. Council, in addition to its regular monitoring as per the Agreement, retained RM Consulting Group Pty Ltd (RMCG), an independent agricultural and technical consulting firm based in Bendigo, which produced a report undertaken by Principal, Anna Kelliher (BA, BEng Hons, MIEAust, GAICD) an environmental engineer and Senior Consultant, Hilary Hall (MEngSci, BEng) an engineer in wastewater operations and consulting (**Attachment [6.1.5]**). The RMCG report was to:
 - a. Undertake situation analysis (storm water catchment and retarding basin environment)
 - b. Adopt Assessment Methods – RMCG to make its own recommendations in this respect
 - c. Specify objectives – to establish a risk assessment methodology for potential contaminants
 - d. Assess a series of relevant potential guidelines
 - e. Detail the sediment and water sampling testing
 - f. Undertake a water quality analysis
 - g. Undertake a sediment quality analysis
 - h. Undertake a risk assessment and
 - i. Provide conclusions and recommendations

2. RMCG also commissioned its own independent testing with the authors attending the site and undertaking inspections.
3. The outcomes included:
 - a. The risk for stormwater to be contaminated by domestic waste water necessarily contemplates a search for the presence of human faecal bacteria as a focus. The testing did not detect any such human bacterioids, and the marker abundance was low.
 - b. Observing secure fencing around the basin, animal bacterioids identified were likely to be from birdlife in the Basin, presenting a lower risk to livestock or human health.
 - c. In relation to the concern expressed on an ongoing basis about E.coli levels, the report concludes that the water is satisfactory for irrigation on pasture and crops and for watering stock.

Veterinary analysis

Council also commissioned a report from Dr David Rendell, a Veterinary Scientist (recently retired) (**Final report delayed – to be available from Monday 19 March 2018**). Dr Rendell – who is based in south-west Victoria and consults across Australia – practised for almost 40 years, including in the area of beef cattle. Given his retirement his now former associate Kathryn Robertson has reviewed and now jointly authored the report.

1. The report observes, in part:
 - a. For stock drinking, E.coli levels of over “400 per 100” are relatively common and above 1,000 are not usual when drinking from farm dams or natural water sources.
 - b. Faecal contamination rarely impacts livestock health until the contamination reaches a level where it is readily observable with the naked eye and/or offensive to smell.
 - c. To achieve those high levels, E.coli would need to be many times higher than seen at the Basin, with levels up to 1,000 being unlikely to have any detectable odour.

Responding to key concerns

Council having taken water

1. There were at least two occasions when the Council extracted water for the purpose of road maintenance, one is highlighted in late 2015, the other the year before, for similar purposes and quantity.
2. It is observed that there is no information available about whether Ansevata was in fact taking and using any of this water over an extended

period of time leading up to the time of concern regarding the Council taking the water.

3. Testing which followed, subsequent to the Council taking of water, did not lead to dramatically increased readings in relation to E.coli or otherwise although the one uncharacteristically high reading which took place in March 2016, followed sometime later. Ansevata asserted it was unable to take water during the period leading up to that high reading and after, apparently losing confidence in the water quality despite the provision of the sampling details and results.
4. This issue of Council taking water is resolved, given Ansevata chose to take legal proceedings against the Council in relation to it and those legal proceedings were settled, without Council agreeing that it was not entitled to take the relevant water. Council took the water as a matter of convenience and to save costs and had and continues to have, other alternatives available to it. To bring that litigation to an end, Council agreed to a variation of the Agreement to make it clear that the Council would not seek to take water in the future and pay Ansevata \$65,000.

Inadequate water quality for stock and pasture

1. The independent reports of RMCG and the Veterinary Scientists, make it clear that there is no material risk to Ansevata in taking the water for its stated purposes.
2. Also there is no evidence and any report from that usage, to the extent that it occurred, ever impacting stock or pasture.
3. There is no “toxic” material in the sediment or the water.

The risk of “Untreated Septic Tank Effluent”

1. A reference should be made to the risk assessment undertaken by RMCG detailed above. The element which might cause some concern is the prospect of faecal contamination from human waste entering the stormwater system and then, in turn, reaching the Basin. This could occur if there were a blatantly illegal connection of what might be described as “black” waste from one or more of the properties in Promontory Views Estate, however, it is not apparent either on inspection or based on the testing that has been going on in the Basin for many years.
2. Nothing in Promontory Views Estate has changed substantially over the last five to ten years, and the fact that there has been no impact on stock or pasture of Ansevata (to the extent that Ansevata actually needs or has used the water) is in itself proof.
3. These comments about risks associated with untreated septic tank waste are based on an assessment of environmental consequences, including risk. They do not seek to address the fundamental uncertainties of the

Agreement, and the clearly limited obligation of the Council in that respect under the Agreement.

Sediment build up and Basin capacity

1. The evidence is that the sediment build up has been marginal.
2. The Basin capacity can be reinstated with minor works, as per the October 2017 Council resolution.
3. Various comments by Ansevata that this might somehow raise water levels within the Basin, thus increasing depth and reducing the impact of sunlight on water quality treatment, are baseless when consideration is given to the fact that the Basin would have needed to be a particular depth to achieve capacity and that the increased levels, in the circumstances, are quite minor. Further, there was no obligation of any kind in the Agreement to build to a particular depth or build the Basin in a way that improved its ability to treat the water.

Council's advice (in March 2016) not to use the water

1. Correspondence from Ansevata continues to highlight that once the Council told Ansevata that it should not use the water (in March 2016) due to the single (likely aberrant) E.coli reading, that Ansevata somehow or other should rely on that advice to never use the water again, is misconceived.
2. The Council has on numerous occasions, including through its lawyers, advised that it is simply up to Ansevata if it wishes to use the water or not, its quality and quantities available remain consistent with what has been available for use over many, many years.

"Debt" owing by Council to Ansevata

1. Ansevata has on a number of occasions asserted that Council should pay it for its lost opportunity to take the water over time.
2. The amount owing of \$198,892.06 has been calculated by reference to the price of alternative water sources and then turned into some form of invoice provided by Ansevata to the Council.
3. Aside from question of whether any such liability might arise, it does not appear Ansevata has actually incurred any cost. To pay Ansevata an amount for water it has chosen not to take would simply be a financial windfall for Ansevata.
4. There is no evidence that stock was supplied with water from another source or that the nature of the Ansevata farming operation required water to be brought in for either stock or pasture irrigation.

Contextual issues

From time to time, including in open correspondence, Ansevata has indicated its other objective in relation to its property was seeking to have that property rezoned for development purposes. The proposition has been put by Ansevata that any such development could provide a “solution” to the alleged issues with the water quality.

This report has ignored those propositions, restricting itself to consideration of the Agreement, the facts and expert opinions provided to Council. If these other objectives drove, or continue to drive Ansevata’s ongoing complaints, then that was and remains irrelevant.

Council personnel have at times entertained various notions (such as an expensive wetland proposal) in the hope that it may put an end to the pattern of complaint from Ansevata. However, the current view is that there is no justification in spending public funds on “fixing” a problem that by all available evidence does not exist.

CONSULTATION

Consultation in this matter is generally related to internal Council personnel however, it has included independent experts as identified through the report.

A copy of this report and its attachments has been provided to Ansevata.

RESOURCES

The costs incurred by Council in maintenance of the Agreement are:

Item	Cost
Water testing (to date)	\$101,472*
Basin maintenance (yet to commence)	\$20,000

*\$3,624 per annum – in current dollar terms – multiplied by 28 years. The remaining 52 years of the agreement will – by the same method of calculation – cost Council \$188,448.

RISKS

It is possible that the consideration and sound rebuttal of the Ansevata concerns through this report and recommendations, may trigger some further legal action by Ansevata. Note that litigation is regularly threatened and is already a risk. Council must consider how it should react to such threats if they are followed through. It may be that some form of litigation is an inevitable outcome of this ongoing issue and will continue to be a drain on Council resources and time.

STAFF DISCLOSURE

Nil

ATTACHMENTS

1. The 1990 Water Taking Agreement **[6.1.1]**
2. October Council Report re: reinstating the Basin capacity **[6.1.2]**
3. Independent Engineering Firm Report (GHD) **[6.1.3]**
4. Draft Dam Safety Report **[6.1.4]**
5. RM Consulting Group Pty Ltd Report **[6.1.5]**
6. Dr David Rendell and Kathryn Robertson, Veterinary Scientists Report **(to be available from Monday 19 March 2018)**

REFERENCE DOCUMENTS

Council Policy

*Documents are available on Council's website: www.southgippsland.vic.gov.au
Asset Management Strategy*

Legislative Provisions

Land Acquisition and Compensation Act 1986
Land Act 1958
Local Government Act 1989
Planning and Environment Act 1987
Water Act 1989

DATED _____ 1989

THE PRESIDENT COUNCILLORS AND
RATEPAYERS OF THE SHIRE OF WOORAYL

and

ANSEVATA NOMINEES PTY. LTD.

AGREEMENT FOR TAKING OF WATER

TAYLOR SPLATT & PARTNERS
Solicitors
40 Young Street
Frankston. 3199

DX 19904 Frankston
Telephone: 783 7700
Reference: CRT/CH 88025366

TAYLOR SPLATT & PARTNERS
LAWYERS
FRANKSTON

AGREEMENT FOR TAKING OF WATER

THIS AGREEMENT made the 8th day of May 19~~88~~⁹⁰

BETWEEN THE PRESIDENT COUNCILLORS AND RATEPAYERS OF THE SHIRE OF WOORAYL of 9 Smith Street Leongatha in the State of Victoria a municipality incorporated under the Local Government Act (hereinafter called "the Shire" which expression shall include its successors and the successors of the basin land as hereinafter defined and each and every part thereof) of the one part and ANSEVATA NOMINEES PTY. LTD. of 492 St. Kilda Road Melbourne in the State of Victoria (hereinafter called "the Licensee" which expression shall include the said Ansevata Nominees Pty. Ltd. and its receivers liquidators and assigns and the registered proprietor or proprietors for the time being and from time to time of the Licensee's land as hereinafter defined, and each and every part thereof) of the other part WITNESSES THAT
WHEREAS:-

- A. The Shire is empowered pursuant to the Local Government Act to undertake drainage works for the provision, inter alia, of adequate storm water control;
- B. The Shire has approved a scheme pursuant to Section 651 of the Local Government Act for the construction of an underground storm water drainage scheme and retarding basin to receive storm water and treated septic tank effluent from the area known as Promontory Views Estate at Walkerville within the municipal district of the Shire;

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- C. The Licensee is the registered proprietor of all that piece of land comprises Lots 1 and 2 on Plan of Subdivision No. 212161J Parish of Waratah being the land comprised in Certificates of Title Volume 9829 Folios 950 and 951 ("the Licensee's land" which expression shall not include "the basin land" hereinafter described, where the context so requires);
- D. The Shire has agreed with the Licensee to purchase that part of the licensee's land comprising 2.7 hectares of Lot 1 aforesaid delineated and coloured red on the plan in Schedule 1 to this Agreement ("the basin land") for the construction and maintenance of a storm water retarding basin ("the dam"). The precise dimensions of the basin land are being surveyed by or under direction of the Shire;
- E. The sale and transfer by the Licensee to the Shire of the basin land is conditional on the execution and exchange of this Agreement and the Shire making available all water to be stored in the dam free of charge to the Licensee for irrigation and stock watering purposes in accordance with this Agreement,

NOW THEREFORE IT IS EXPRESSLY AGREED by and between the parties hereto as follows:-

1. This Agreement shall bind the Shire and the Licensee and come into full force and effect upon:-
 - 1.1 The approval of the Scheme for the drainage of Promontory Views Estate pursuant to Section 651 or any other appropriate provisions of the Local Government Act 1958, and

- 1.2 The exchange of a Contract of Sale in the form of Schedule 2 executed by the Licensee as vendor and the Shire as purchaser of the basin land including a condition that it is subject to this Agreement, and the delivery to the Shire of a registrable form of Transfer of the basin land free of encumbrances save for any presently registered easements and the covenant and easement and profit á prendre hereinafter described, and the Licensee doing all acts, matters or things required to enable the Shire to become registered as the proprietor of the basin land, subject as aforesaid.
 - 1.3 The Shire shall prepare a Plan of Survey of the basin land in sufficient form for registration in the Land Titles Office.
2. The Shire shall, within six months from the date of commencement of this Agreement as provided in 1 hereof:-
 - 2.1 Erect a stock proof post and wire fence on the common boundary between the basin land and the Licensee's land and in any event before commencement of any dam construction works referred to in Clause 2.2;
 - 2.2 Not before erection of the fence referred to in 2.1, construct a dam having a capacity of not less than 13.5 megalitres on the basin land in accordance with sound engineering knowledge and practice generally as shown in Schedule 3.
3. The Shire shall, after construction of the dam:

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- 3.1 Properly maintain and repair the said fence and the dam and ensure that the same does not in any way become or cause a nuisance;
- 3.2 Not without the consent of the Licensee use the basin land for any purpose other than for the collection, storage and disposal of water in or from the dam and purposes necessarily incidental thereto, including the purposes authorized by this Agreement. It is expressly agreed that this restriction shall run with the land in favour of the Licensee's land and each and every part thereof (save for the basin land) and shall be registered as a covenant against the title of the basin land to issue to the Shire after registration of the Transfer thereof from the Licensee. Such covenant shall be incorporated in the Transfer of the basin land in registrable form.
4. In part consideration for the transfer of the basin land from the Licensee to the Shire and conditionally upon such transfer, the Shire agrees, and hereby grants to the Licensee, the right hereinafter described in perpetuity or until, with the Licensee's consent as provided in the immediately preceding paragraph, the basin land is no longer used for the purpose therein described PROVIDED THAT should it become necessary, by reason of any declaration or order by any Court of appropriate jurisdiction or for any other legal reason, to read down or reduce the period of this right, it is expressly agreed that this right shall continue

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for a period of 80 years from the date of commencement of this Agreement unless earlier terminated with the consent of the Licensee. The right hereby given is for the Licensee free of any charge by the Shire:-

4.1 To take water from the dam in such quantities and at such times as the Licensee requires for irrigation of and watering of stock on, the Licensee's land without causing nuisance or negligence but the Licensee shall not take more than 50% of the water in the dam at intervals of not less than 30 days;

4.2 To construct or place on or within that part of the basin land and into the water of the dam (as may be required from time to time) such pipes, pumps and equipment and facilities as are reasonably necessary for the purpose described in 4.1 hereof and to maintain, repair, replace and/or remove the same as the Licensee deems fit without causing or creating nuisance or negligence and without damaging the dam structure or any fences constructed on the basin land or its boundaries by the Shire PROVIDED THAT the Licensee may enter the basin land for the aforesaid purposes described in 4.1 and 4.2 hereof through a gate to be constructed and maintained at the Shire's expense on the common boundary between the basin land and the Licensee's land. The Licensee shall be entitled to place such pipe, pumps, etc. at one or more points on the basin land as may be required and the gate shall be constructed in such place as directed by the

Licensee.

5. It is expressly agreed that the right described in paragraph 4 hereof is not only a personal right but the benefit of it shall run with and attach to the Licensee's land and each and every part thereof whether or not the present Licensee, Ansevata Nominees Pty. Ltd., continues to be the registered proprietor thereof.
6. It is expressly agreed that the water from the dam shall not be suitable for human consumption and the Shire gives no warranty or representation that the waters from the dam will be suitable for any purpose other than the irrigation of pasture and crops and watering of stock.
7. Nothing herein contained authorizes or permits the Shire by any act or omission to be negligent or cause any nuisance or breach of statutory duty or any other breach of the law in relation to:
 - 7.1 The construction and/or maintenance of the dam;
 - 7.2 The quality of the water in the dam or to be in the dam;
 - 7.3 The collection or discharge of water to/from the dam;
 - 7.4 The Shire's ownership/occupation of the basin land.
8. The Shire shall, at least six times per year at no less an interval than one calendar month, and at such other times when the Licensee has reasonable grounds to believe that the

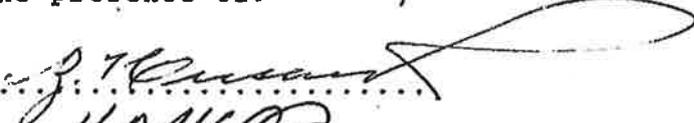
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waters of the dam may be polluted, take samples of such waters and have them tested for biological and chemical pollution in accordance with methods recommended by the Environment Protection Authority and make the results of such tests available to the Licensee. ~~It~~ is expressly agreed that the Shire shall take all necessary action to prevent untreated septic tank effluent being discharged into the dam.

9. It is the intention of the Shire and the Licensee that the right given to the Licensee described in paragraph 4 of this Agreement, is a right in the nature of an easement and/or profit à prendre and the Licensee has the right to register notifications thereof on the title to issue to the basin land by registering an easement or profit à prendre in favour of the Licensee's land over such part of the basin land as is described in paragraph ~~4(b)~~^{4.1} or to register a Caveat against the title to issue in respect of the basin land giving notice of such right.
10. The Shire shall pay all costs and disbursements of the Licensee incurred in the preparation of this Agreement and the registration or notification of any easement and/or profit à prendre or Caveat against the title to issue in respect of the basin land.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals the day and year first hereinbefore written.

THE COMMON SEAL of THE PRESIDENT)
COUNCILLORS AND RATEPAYERS OF THE)
SHIRE OF WOORAYL was hereunto)
affixed in the presence of:)

President 
Councillor 
Shire Secretary 

THE COMMON SEAL of ANSEVATA)
NOMINEES PTY. LTD. was hereunto)
affixed in accordance with its)
Articles of Association in the)
presence of:)

Director
Secretary



2 March 2018

Justin Taylor
Senior Design Engineer
South Gippsland Shire Council
9 Smith Street
Leongatha VIC 3953

Our ref: 3135925-6400

Dear Justin

Walkerville Basin Volume Assessment

1 Introduction

GHD Pty Ltd (GHD) was engaged by South Gippsland Shire Council (SGSC) to undertake a volume assessment of the Walkerville Basin, located in Walkerville, southern Victoria. The work was undertaken at the request of Justin Taylor and John Moylan of SGSC following a project briefing at GHD Traralgon on 9 January 2018.

2 Scope of work

The scope for this assessment was based on GHD's proposal,¹ and included the following works items:

1. Review existing data provided by SGSC.
2. Site inspection of the basin and surrounding area.
3. Staged volume assessment of the basin using survey data provided by SGSC.
4. Report presenting the findings of the assessment.

2.1 Limitations

This report has been prepared by GHD for SGSC and may only be used and relied on by SGSC for the purpose agreed between GHD and SGSC. GHD otherwise disclaims responsibility to any person other than SGSC arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible. The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

GHD has prepared this report on the basis of information provided by SGSC, which GHD has not independently verified or checked beyond the agreed scope of work. GHD does not accept liability in connection with such unverified information, including errors and omissions in the report, which were caused by errors, or omissions in that information.

¹ GHD 2018, *Walkerville Basin – Volume Assessment: Proposal and Fee Estimate*, 17 January 2018.

3 Project background

Walkerville Basin is located off Panoramic Drive, Walkerville, approximately 200 m north of the local CFA building. The basin was constructed in 1988 as part of the drainage scheme for the nearby Promontory Views Estate. The basin was designed with floor dimensions of 140 m by 60 m and a nominal storage capacity of 13.5 ML. Table 1 summarises the key design features taken from the drawings provided by SGSC.

It is understood there is an historical agreement between SGSC and an adjacent property owner, whereby the property owner has access to water in the basin for stock use via a number of mobile pumps. It is further understood that there are no records of the amount of water that is supplied to the property owner.

This purpose of this assessment was to determine the current storage capacity of the basin and investigate conditions that may be affecting the yield of the basin. Such conditions may include: leakage through the embankments, basin floor and/or overflow structure (spillway), sedimentation on the floor of the basin, restricted inflows, and settlement of the embankments and/or overflow structure.

Table 1 Walkerville Basin design features

Item	Description
Type	Off-stream turkeys nest – regular in plan with earthen embankments on all sides
Nominal storage capacity	13.5 ML
Year constructed	1988
Purpose	Retarding basin for residential estate stormwater. Stored water used as stock water for adjacent farm
Current owner	South Gippsland Shire Council
Floor dimensions	140 m x 60 m
Floor level	RL 94.5 m
Crest level (ave.)	RL 96.5 m
Crest width (ave.)	4 m
Batter slopes	2.5H:1V
Spillway	
Type	Concrete overflow intake pit and dia. 375 mm concrete overflow pipe through embankment
Location	Northwest corner

Item	Description
Level	Design level unknown (RL 96.06 m at 27-Jan-16)
Inlet	
Type	Dia. 675 mm pipe through embankment
Location	Southeast corner
Level	Pipe invert RL 94.6 m

3.1 Available data

The following information was provided to GHD for the purpose of this assessment:

- Feature and level survey of basin and upstream drainage (CAD files), 27 January 2016.
- Drainage scheme drawings for Promontory Views Estate, February 1988.

4 Observations from site inspection

The following observations and comments have been derived from the site inspection:

- The water level at the time of the inspection was not provided, but was well below full supply level.
- The condition of the embankments and crest were generally good. Some minor depressions were observed, however, all areas of the crest were accessible and trafficable using a regular light vehicle (Photo 01).
- There were a number of mature trees growing through the embankments. It is recommended trees and shrubs be removed from the embankments to prevent the development of piping pathways via root zones (Photo 02).
- Heavy reed growth was observed around the basin rim (Photo 03). Vegetation should be managed as it can restrict inflows and outflows.
- Minor cracking and spalling of the concrete overflow structure (spillway) was observed, however the overall condition was generally sound (Photo 04). No visible signs of settlement or leakage around the structure could be observed. However, it was understood that water levels have been low for some time, as such, any possible leakage pathways were difficult to identify.
- Despite minor concrete spalling, the general condition of the overflow outlet pipe was sound and clear of blockages (Photo 05).
- Backfilling around the overflow pit was sporadic and not tight against the pit (Photos 06 and 07). This is likely to be affecting the performance of the structure and foundation and may be providing pathways for leakage when water levels are higher than at present.
- Downstream, the spillway outlet should be cleared so any flow can pass unimpeded (Photo 08).
- The inlet was below the water line and could not be observed.

5 Staged volume calculation

GHD have completed a three-dimensional assessment of basin volume at various water levels using the survey data provided. The results show that at full supply level (FSL) of RL 96.06 m (current overflow level) the maximum storage volume is 13.2 ML (Table 2). Figure SK-01 is a schematic showing basin conditions.

Table 2 Storage volumes

Water Level	Storage Volume (ML)
RL 94.95 m (water level at 27-Jan-16)	3.0
Overflow (spillway) level RL 96.06 m	13.2
RL 96.09 m	13.5
RL 96.28 m (overtopping level)	15.3

6 Discussion and conclusions

The following comments are based on the results of the site inspection and volume assessment:

- As the basin was constructed 30 years ago, and no design storage capacity, spillway level or design freeboard has been provided, the design storage capacity cannot be conclusively determined. Furthermore, without the design spillway level, it cannot be concluded that settlement of the overflow structure significant enough to reduce basin volumes has occurred.
- Based on the current overflow level of RL 96.06 m, the maximum storage volume is 13.2 ML.
- Comparison of the design floor level of RL 94.5 m against the survey data from January 2016 shows basin floor levels remain very close to design levels and sedimentation on the floor has been minimal.
- Backfilling immediately around the overflow structure was sporadic and is likely to be affecting the performance of the structure and foundation. This may lead to leakage around the structure when water levels are higher than observed during the site inspection (hence, a lower full supply level).
- Silt laden or highly turbid water was not observed in the basin during the site inspection. However, no water quality testing was undertaken, nor have any water quality test results been provided.
- It is understood SGSC have been instructed by the relevant water licencing authority to undertake some minor works to improve the general safety of the basin. These works are to include removal of trees and shrubs from the embankments, placement of road base along the crest to maintain access in all seasons and upgrading the outlet structure to be in line with maximum inflows. These works will also address a number of the items raised in Section 4.
- Using select clay fill and proper construction methods (i.e. material specification and compaction control), any settlement of the embankments would likely occur within the first one to two years of placement, and generally be in the range of 25 to 50 mm. Any long-term consolidation of the embankments (and foundation) after this is difficult to quantify as it relates to material type and the

seasonal shrink-swell cycles that are influenced by local climatic conditions (i.e. periods of drought and/or prolonged wet periods).

- In addition to possible leakage around the overflow structure, other possible explanations for the alleged reduction in storage yield may be due to leakage through the basin floor or reduced inflows. Reduced inflows may be due to blockages upstream, water loss through the open drainage throughout the estate and the numerous water tanks collecting stormwater from houses within the estate.

We trust this report meets your requirements. If you have any queries, or require clarification, please don't hesitate to be in contact.

Sincerely
GHD



Joel Anders

Senior Engineer – Dams and Tailings
+61 3 5136 5836

Attachments

Site inspection photos

SK-01 – Schematic diagram showing basin condition



Photo 01



Photo 02



Photo 03



Photo 04



Photo 05



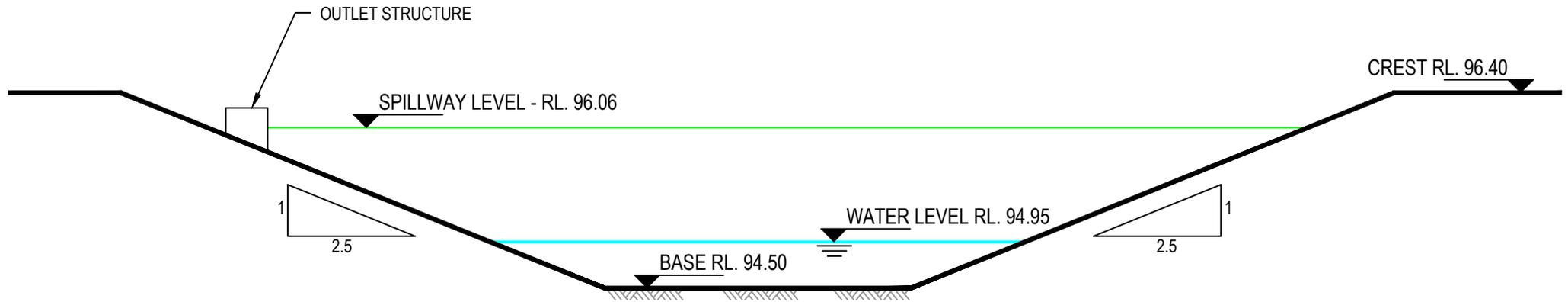
Photo 06



Photo 07



Photo 08



NOTES:

1. ALL EXISTING BASIN SURFACE LEVELS ARE AVERAGE VALUES.
2. WATER LEVEL SHOWN WAS AT 27/1/16.
3. ALL LEVELS IN mAHD

rev	description	app'd	date
A	INITIAL ISSUE	JA	23/2/18

SOUTH GIPPSLAND SHIRE COUNCIL
 WALKERVILLE BASIN
 EXISTING CONDITIONS
 SCHEMATIC



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 date | FEB 2018 | rev no. | A

approved (PD) . JA SK001

SOUTH GIPPSLAND SHIRE COUNCIL

Council Minutes

Ordinary Meeting of Council

25 October 2017

Ordinary Meeting No. 417
Council Chambers, Leongatha
Commenced at 2pm



minutes



*South Gippsland
Shire Council*

Come for the beauty, Stay for the lifestyle

MISSION

South Gippsland Shire will be a place where our quality of life and sense of community are balanced by sustainable and sensitive development, population and economic growth.

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A copy of this policy is located on Council's website www.southgippsland.vic.gov.au.

PRESENT**COUNCILLORS:**

<p>Cr Ray Argento, Mayor Cr Maxine Kiel, Deputy Mayor Cr Meg Edwards Cr Alyson Skinner Cr Jeremy Rich Cr Andrew McEwen Cr Lorraine Brunt Cr Aaron Brown Cr Don Hill</p>

**COUNCILLORS
NOT PRESENT:**

<p>Nil</p>

OFFICERS:

<p>Tim Tamlin, Chief Executive Officer Rick Rutjens, Executive Support and Community Information Manager June Ernst, Coordinator Corporate Planning and Council Business Natasha Berry, Corporate and Council Business Officer Jodi Cumming, Corporate and Council Business Officer</p>

SOUTH GIPPSLAND SHIRE COUNCIL

Ordinary Meeting No. 417
Wednesday 25 October 2017
Council Chambers, Leongatha
Commencing at 2pm

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Tim Tamlin
Chief Executive Officer

Councillor Jeremy Rich left the Council Meeting at 2.53pm with a declared direct Conflict of Interest on Agenda Item 4.2 WALKERVILLE RETARDING BASIN - CAPACITY MAINTENANCE OPTIONS as he is a 'Director of the company referenced to in this item on the agenda'.

4.2. WALKERVILLE RETARDING BASIN - CAPACITY MAINTENANCE OPTIONS

Sustainable Communities and Infrastructure Services Directorate

EXECUTIVE SUMMARY

At its Ordinary Council Meeting on 27 September 2017, Council resolved a motion directing officers to prepare a report detailing the methodology, timing, cost, and source of funding to restore the capacity of the Walkerville Retarding Basin (extract below):

That Council:

1. *Note that clause 2.2 and 3.1 of the agreement for taking of water (attachment [6.1.1]) requires Council to maintain the capacity of Walkerville retarding basin at not less than 13.5 megalitres.*
2. *Direct the officers to prepare a report for Council detailing the methodology, timing, cost and source of funding to restore the capacity of the Walkerville Retarding Basin.*
3. *Receive the report at the 25 October 2017 Ordinary Meeting of Council.*

This report details the recommended solution and associated cost to provide the required 13.5ML (megalitre) capacity for this dam.

RECOMMENDATION

That Council:

1. Endorse the design and construction of a modified outlet structure by raising it 100mm thereby increasing the capacity of the dam to approximately 14ML.
2. Fund the works from the 2017/18 Capital Works Program from the following programs:
 - a. Civil Capital Works Design – Design (\$2,000).
 - b. Drainage Rehabilitation Program – Construction (\$18,000).

MOVED: Cr Brunt

SECONDED: Cr Hill

THAT COUNCIL:

1. **ENDORSE THE DESIGN AND CONSTRUCTION OF A MODIFIED OUTLET STRUCTURE BY RAISING IT 100MM THEREBY INCREASING THE CAPACITY OF THE DAM TO APPROXIMATELY 14ML.**
2. **FUND THE WORKS FROM THE 2017/18 CAPITAL WORKS PROGRAM FROM THE FOLLOWING PROGRAMS:**
 - a. **CIVIL CAPITAL WORKS DESIGN – DESIGN (\$2,000).**
 - b. **DRAINAGE REHABILITATION PROGRAM – CONSTRUCTION (\$18,000).**

CARRIED

FOR: Councillors Brown, Brunt, Edwards, Argento, Skinner, Kiel and Hill.

AGAINST: Councillor McEwen

Cr Rich returned to the Council Meeting at 3.05pm.

REPORT

Background

The Walkerville Retarding Basin was built in 1988. In 1990 the Shire of Woorayl entered into a water taking agreement with Ansevata Nominees Pty Ltd to facilitate a retarding basin for the stormwater management of the Prom Views Estate. Under the agreement Council is obliged to maintain the capacity of the basin. Currently the basin is under capacity.

It is implicit in the water taking agreement that the Walkerville Retarding basin maintain a capacity of 13.5ML. Clause 2.2 and 3.1 of the Agreement for Taking of Water (**Attachment [4.2.1]**) refers to the capacity of the basin.

Council now requires a suitable option to restore the capacity of the basin and the cost and timing of that option.

It was previously considered that due to the build-up of silt, the capacity has reduced below the required 13.5ML value specified in the agreement. A recent survey carried out by Council's consultant surveyor confirms that the level of the bottom of the dam is very similar to the original design levels. This suggests that very little silt material has been deposited on the bottom of the dam. It is considered that either the dam was not constructed exactly to the 13.5ML capacity, or alternatively, the outlet structure has marginally subsided.

Based on the recent survey, the current capacity is 13.03ML. To increase the capacity to approximately 14ML (to provide some tolerance over the required 13.5ML amount), the level of the outlet structure needs to be raised by 100mm. It is recommended that the outlet structure be modified accordingly. If Council resolves to proceed with these remedial works, the design and construction of could be completed within three months.

CONSULTATION

Consultation will be undertaken with Ansevata Nominees Pty Ltd if Council endorses a preferred methodology.

RESOURCES

It is estimated that the cost to design (\$2,000) and construct (\$18,000) the modifications to the outlet structure described above would be in the vicinity of \$20,000. A more precise cost can be provided once the design is complete. The design component can be funded from the Civil Capital Works Design program budget and the construction can be covered by the Drainage Rehabilitation program.

RISKS

If Council does not undertake these works to rectify the capacity of the Walkerville Retarding Basin, it will be in breach of the conditions implied in the 1990 Agreement for Taking of Water with Ansevata Nominees Pty Ltd.

STAFF DISCLOSURE

Name: Paul Stampton
Title: Manager Planning
Conflict of Interest: Indirect Interest - Conflict Duty (Part 3.7)
Reason: Member of Walkerville Foreshore Committee

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. Agreement For Taking of Water 1990 - Walkerville Retarding Basin **[4.2.1]**

LGA Dams – Site inspection methodology, general asset information & inspection checklist

Asset name:	Walkerville RB
Locality:	Cnr Grevilla St & Panoramic Dr, Walkerville
Local government region:	South Gippsland
Date of inspection:	23 August 2017
Inspection team:	Ryan Glen, David Roche (SGSC) Greg Branson, Joe Matthews, Richard Mannix (SRW)
Weather conditions:	Cloud with some sun. Windy.
Temperature:	12°C

1) Inspection Methodology

The inspection is to be undertaken at an **“Intermediate Level” consistent with the Australian National Committee on Large Dams (ANCOLD) Guidelines on Dam Safety Management (2003)**. However, testing of electrical or mechanical equipment and soil sampling for lab testing purposes will not take place due to time constraints.

Any deficiencies will be identified by visual examination of the dam and its appurtenant infrastructure and review of available surveillance data (if any).

Observations made during the inspections will be summarised in a checklist format (see Section 3 below).

The following consistent terms in Table 1 will be used throughout the inspection checklist and feed into the final inspection report to describe the condition of various features or components of the dam.

Table 1: Condition ratings (source: modified from GHD, 2017).

Satisfactory	Expected to fulfil its intended function.
Fair	Expected to fulfil its intended function, but maintenance is recommended.
Poor	May not fulfil its intended function; maintenance is necessary.
Unsatisfactory	Not expected to fulfil its intended function; repair, replacement, or modification is necessary.
Not applicable	Component/structure or item does not exist at this site.

Any recommendations for corrective action will be included in the final inspection report issued to DELWP with accompanying urgency and importance ratings (refer to Appendix A).

2) General Asset Information

Type	Assessment
General site inspection details	
Site Name	Walkerville RB
Locality	Cnr Grevilla St & Panoramic Dr, Walkerville
Map Reference (Coordinates)	Latitude = -38.820639 Longitude = 145.997557
Asset owner	South Gippsland Shire
Describe access to site	Retarding basin is accessed via Grevilla St.
Photograph of site access	
Storage level at time of inspection	At FSL.
Spillway flowing	Yes, approximately 30 L/min.
Site data	
General purpose	Retarding basin to attenuate storm flow.
Watercourse	N/A. Urban runoff catchment.
Original construction date (year)	1988
Subsequent upgrades or minor works	None known. Planned outlet structure raising (100 mm) October 2017 to increase capacity.
Historic incidents	Unknown.

Type	Assessment
Is there a current surveillance program?	No.
Historic surveillance reports reviewed? Details?	None provided.
Has an Emergency Plan or inundation map been provided?	No.
Catchment	
Description	Urban catchment ~0.38 km ²
Determination from	ArcGIS analysis. Indicative only.
Downstream flood area	
Description	PAR negligible. Breach on southern or eastern side toward dwellings but would attenuate before inundation occurred.
Determination from	ArcGIS analysis and field inspection.
Dam Wall (refer to drawings for more info)	
Construction type	Homogeneous earthfill.
Upstream face type	Homogeneous earthfill.
Downstream face type	Homogeneous earthfill.
Photograph of dam wall	

Type	Assessment
	
Crest length (m)	Northern and southern crest lengths ~65.0 m Eastern and Western crest lengths ~150.0 m
Crest width (m)	Northern and southern crest width 4.2m Eastern and Western crest width 3.5m
Surface area at FSL (m ²)	~ 10,500 m ²
Upstream slope (V:H or %)	RB at FSL so couldn't be measured. According to drawings: 1V:2H.
Downstream slope (V:H or %)	25% or 1V:4H.
Height at maximum section (m)	3.50 m field altimeter test at southern embankment.
Inlet works (refer to drawings for more info)	
Size	DN675 according to drawings (submerged during inspection).
Type	Grated mitred outlet with concrete headwall.
Inflow source	Prom Views Estate – Walkerville.

Type	Assessment
Photograph of inlet	Concrete headwall visible only (refer red outline) due to vegetation and storage level at time of inspection. 
Spillway (refer to drawings for more info)	
Location	N/A.
Type	N/A.
Structure details	N/A.
Freeboard (m)	N/A.
Photograph of outlet	N/A.
Outlet works (refer to drawings for more info)	
Size	DN375
Detail	<p>Urgent Investigation Required.</p> <p>Riser outlet acting as side entry pit.</p> <p>Steel grate lid to prevent gross litter blocking outlet pipe when acting as glory hole spillway.</p> <p>No discharge through riser outlet as leakage around outlet emplacement and through embankment was occurring at time of inspection discharging via the outlet pipe (this indicates a break in the outlet pipe).</p> <p>Significant erosion around emplacement. Pipework exposed on u/s batter slope.</p> <p>Significant hole in crest offset ~0.5 m from outlet pipe alignment. Cause unknown but likely associated with leakage around outlet.</p>
Discharge reason	Stormwater excess

Type	Assessment
Photograph of outlet	 <p>The assessment section contains three photographs. The top photograph shows a concrete outlet structure with a metal grate, situated in a grassy area next to a body of water. The middle photograph is a closer view of the grate and the concrete structure, showing some debris on the grate. The bottom photograph shows a wider view of the outlet structure, which is heavily overgrown with dense, tangled vegetation and branches, partially obscuring the structure and the water flowing through it.</p>

Type	Assessment
	

DRAFT

Type

Assessment

Aerial site view



3) Inspection Checklist

Type	Assessment ¹	Detail	Recommendation	Urgency Rating ²	Importance Rating ³
Dam wall					
Upstream batter					
General condition	Poor	Significant tree growth in northern and northern end of the eastern embankments.	Remove vegetation and clear around inlet and outlet structures.	Short Term Action	Medium
Embankment crest					
General condition	Poor	Erosion of embankment material at outlet structure. Possible piping action occurring.	Dewater RB and inspect cause of erosion and possible pipe breakage. Reinstate outlet structure to original design specification and reconstruct embankment to adequate compaction standard. Pipe should be concrete encased with a cross section shape to allow good compaction. Install appropriate filter around pipe to intercept any seepage.	Immediate Action Immediate Action Immediate Action Immediate Action	High High High High
Surface condition	Poor	Grass too long to adequately inspect true condition. Felt uneven when trafficked in vehicle.	Remove vegetation layer and cap crest with road base material (aggregates <20 mm). This will assist in identifying	Short Term Action	Medium

¹ Refer to condition assessment Table 1 on p.1

² Refer to urgency rating descriptions in Appendix A.1

³ Refer to importance rating descriptions in Appendix A.2

Type	Assessment ¹	Detail	Recommendation	Urgency Rating ²	Importance Rating ³
			movement/ settlement in future.		
Downstream batter					
General condition	Poor	Significant tree growth on eastern side. Wombat hole on southeast corner of d/s batter. Soft in places indicating poor compaction.	Remove vegetation and burrows. If root and burrow penetration/ damage is significant reinstate embankment to adequate compaction standard.	Short Term Action	High
Surface condition	Poor	Significant tree growth in parts and grass too long to assess adequately.	Keep grass mown to short length.	Immediate Action	Low
Downstream Toe Area					
General condition	Poor	Ponding occurring at eastern embankment toe. Difficult to determine whether this is from seepage or recent rainfall. Drainage alignment along western and south western toe permanently wet. Soft in areas when tested with probe. Particularly at southern end. Water gathering at southern toe. Appears to be due to flows from spillway/outlet. This is resulting in saturated and soft toe.	Remove trees on eastern embankment toe and reinstate with drainage grade slope away from toe. Realign spoon drain channel away from western and southern toe. Consider excavating new spoon drain through adjacent property into drainage line.	Immediate Action	High
Reservoir Surrounds					
General condition	Fair	Requires regular mowing and vegetation removal.	See above.		

Type	Assessment ¹	Detail	Recommendation	Urgency Rating ²	Importance Rating ³
Spillway					
General condition	N/A	No spillway.	Consider installing spillway in northern crest for above design condition flow. Spillway will reduce freeboard but mitigate overtopping risk. Or, consider additional discharge capacity when upgrading existing riser outlet.	Immediate Action	High
Outlet works					
Intake structure or approach channel					
General condition	Unsatisfactory	Concrete in good visual condition, however not operating at time of inspection due to leakage through embankment at interface with riser emplacement. Top grate and side entry pit prone to blockage from gross litter and plant debris. Freeboard considered insufficient.	Review adequacy and configuration of outlet structure with a view to immediate upgrade due to existing preferential flow path through embankment.	Immediate Action	High
Outlet conduit/ pipework					
General condition	Unsatisfactory	Evidence of break in pipe as flow bypassing outlet discharging through outlet pipe on d/s side.	As above.	As above.	As above.
Discharge point					
General condition	Fair	Discharge point and channel immediately below requires cleaning and regular maintenance.	Refer to recommendations under Spillway and Downstream Toe Area.		

Type	Assessment ¹	Detail	Recommendation	Urgency Rating ²	Importance Rating ³
Inlet works					
General condition	N/A	Not sighted due to storage level at time of inspection.	Remove vegetation around inlet structure.	Short term action	High
Other comments/ observations					
Freeboard and outlet adequacy.		Large rainfall event could cause outlet pit trash screen to block and RB to overtop due to inadequate freeboard causing further damage to embankment and pipework where already compromised at outlet.	See above.		

DRAFT

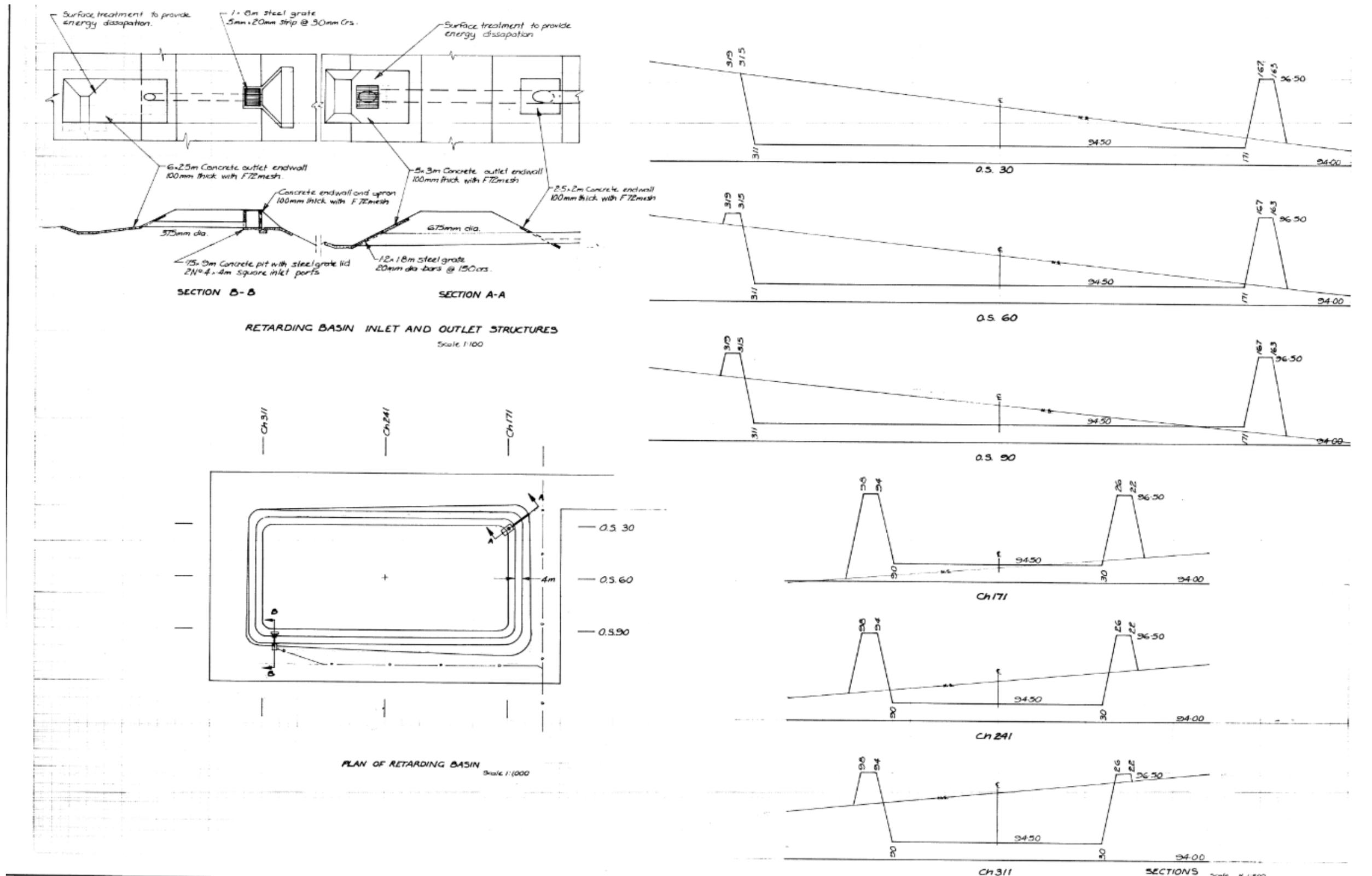
Appendix A

Table A.1 – Urgency Rating Descriptors (source: GHD, 2017).

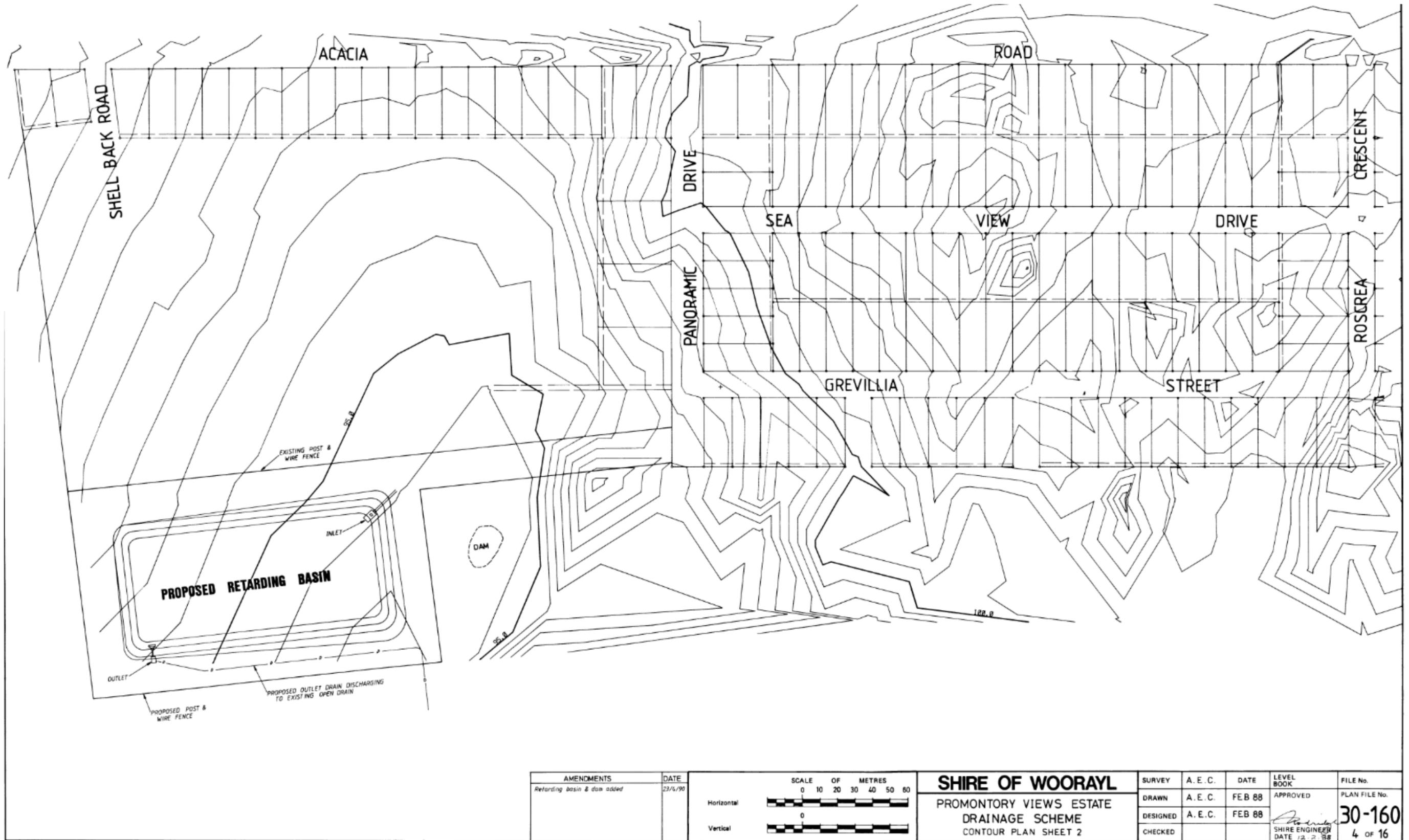
Immediate Action	Critical actions that need to be taken immediately to safeguard the integrity of the dam.
Short Term Action	Operation, maintenance, investigation or monitoring issues requiring detailed attention or action to be completed within the next twelve months, in addition to normal routine actions.
Long Term Action	Lower priority, long-term operation, maintenance, investigation or monitoring issues that will require attention in the future; however, commencement may be deferred for twelve months, but require prudence during operation and routine inspections
Major Works	Items requiring capital works upgrades to address dam safety and/or business risks.
Documentation	Items regarding documentation of the dam and its current condition. These items do not require physical works on site however are recommended as part of a comprehensive dam safety management programme.
Consider	Further information is required to determine whether action should be carried out. For example, action may depend on further monitoring of the issue for signs of deterioration.

Table A.2 – Importance Rating Descriptors (source: GHD, 2017).

High	These recommendations have been made regarding actions required to address observed deficiencies in the condition and management of the dam, in order to avoid a dam safety incident. Generally, only 'immediate' and 'short-term' actions would be considered High priority.
Medium	These recommendations have been made regarding actions required to improve the surveillance and management of the dam, in order to detect in time those deficiencies that could eventually develop into a dam safety incident. Generally, only 'short-term' and 'long-term' actions would be considered Medium priority.
Low	These recommendations have been made regarding actions required to improve the operation, maintenance and surveillance of the dam to meet current good practice. These recommendations also deal with issues that are not currently a threat to dam safety, but are required to avoid increased operation, maintenance and surveillance activities and costs. Generally, only 'short-term' and 'long-term' actions would be considered Low priority.



SCALE OF METRES Horizontal Vertical	SHIRE OF WOORAYL PROMONTORY VIEWS ESTATE DRAINAGE SCHEME RETARDING BASIN DETAILS		SCALE DRAWN A. E. C. DESIGNED A. E. C. CHECKED	DATE FEB 88 FEB 88	LEVEL BOOK APPROVED SHIRE ENGINEER DATE 12.2.88	FILE N° PLAN FILE N° 30-160 16 OF 16
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AMENDMENTS	DATE
Retarding basin & dam added	23/4/90



SHIRE OF WOORAYL
 PROMONTORY VIEWS ESTATE
 DRAINAGE SCHEME
 CONTOUR PLAN SHEET 2

SURVEY	A. E. C.	DATE	LEVEL BOOK	FILE No.
DRAWN	A. E. C.	FEB 88	APPROVED	PLAN FILE No.
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MARCH 2018

Water and sediment quality assessment Walkerville retarding basin

Final Report

This report has been requested by Russell Kennedy on behalf of South Gippsland Shire Council and is subject to legal professional privilege.

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1 Introduction

1.1 INSTRUCTIONS

This report has been prepared in response to a letter of instruction from Andrew Sherman of Russell Kennedy.

Russell Kennedy acts for the South Gippsland Shire Council in relation to suitability of water captured in the Walkerville Retarding Basin for irrigation and livestock drinking uses on a neighbouring property.

RM Consulting Group Pty Ltd (RMCG) provides in this report an independent expert view of the suitability of the water in the Walkerville Retarding Basin. Particular attention is given to its use for livestock drinking (cattle and sheep) and irrigation (pasture for stock and grapes). This view has been formed through sampling and analysis of both sediment and water within the basin; review of previous sampling data; and a risk assessment of potential inputs (e.g. domestic wastewater).

1.2 SITE BACKGROUND

There is a settlement known as Promontory Views Estate near the small township of Walkerville on the South Gippsland coast.

The stormwater and drainage solution for this settlement includes a retarding basin. Water collected in the basin is accessed by an adjoining property, Ansevata, for irrigation and livestock watering.

Ansevata has indicated concern with use of the stormwater, including:

- That wastewater from the septic systems used in the Promontory Views Estate may be reaching the storm water drainage system.
- That the build-up of silt in the base of the Basin is “toxic” – which is assumed to mean that a component of the silt is expected to impact on water quality and in turn, may impact crops or stock health.

2 Situation Analysis

2.1 STORMWATER CATCHMENT

This discussion is informed by the *Township Land Capability Assessment of the Prom Views Estate – Walkerville* prepared by LandSafe in 2011, as well as spatial/mapping data and an inspection of the area on Friday the 10th of November 2017.

The Walkerville retarding basin captures stormwater from the Peninsula Views Estate. The Estate covers approximately 25 ha, including 380 lots, of which approximately three quarters have dwellings. The retarding basin receives stormwater from the majority, but not the entirety, of the Estate.

There is no reticulated water supply or sewerage. Domestic wastewater is treated and reused/disposed on each individual site. There is potential for domestic wastewater to enter the stormwater system via the following routes:

- Treated wastewater is discharged on the majority of sites to subsurface absorption trenches, irrigation fields or similar. It may then seep through the soil into the stormwater system. The Estate has an undulating topography with soils consisting of a layer of windblown sand overlying a dense clay subsoil. The low permeability of the subsoil can result in a shallow perched watertable. The sand depth varies across the Estate generally in correlation with topography. House construction to date has prioritised the areas with higher elevation and therefore a deeper sand layer.
- Average lot size in the Peninsula Views Estate is relatively small, resulting in limited space for reuse/disposal of wastewater flows. The onsite disposal fields may become overloaded in wet weather or in peak population times.
- Direct discharge of greywater. Older dwellings (pre-1980s) may have split systems, where the blackwater (toilet waste) goes to a septic tank and the greywater (shower, laundry and kitchen wastewater) is discharged directly to subsurface absorption trenches or offsite.
- Direct discharge of secondary treated wastewater. Advice from South Gippsland Shire is that there are three sites with offsite discharge permits. These sites have advanced secondary wastewater treatment systems to ensure the wastewater discharged is of high quality.

However, the risk of stormwater becoming contaminated by domestic wastewater is reduced by:

- Most of the houses are used as holiday homes and therefore only occupied intermittently.
- The use of rainwater tanks is known to result in lower volumes of water use and therefore wastewater production, by comparison to towns with reticulated water supply.¹
- The houses that have been constructed in recent years have installed secondary treatment systems to increase the quality of wastewater reused or disposed onsite. The EPA and South Gippsland Shire have become more stringent in their requirements for domestic wastewater – for Victoria in general and for the Estate specifically.
- The sandy topsoils provide natural filtration of wastewater prior to potential entry to the drainage collection system. As such they act as another barrier to contaminants entering the retarding basin.

¹ EPA 2016, *Code of Practice – onsite wastewater management*, Publication 891.4

2.2 RETARDING BASIN ENVIRONMENT

The purpose of a stormwater retention basin is to provide a collection point for rainwater that has been shed from a nominated area.

This retarding basin is fenced to stock and the public, with access being through a locked gate to the side of the Walkerville CFA shed.

Whilst onsite, the wildlife encountered included ducks, waterfowl, parrots, snakes and insects. There was no unpleasant odour detected.

Figure 2-1 shows a photo of the basin in November 2017. At the time of this site visit there was extensive weed and grass growth on the Council land surrounding the basin and reed growth particularly in the north-west and south-east corners of the basin itself. The water level in the basin was relatively high.



Figure 2-1: Walkerville stormwater retarding basin – 10 November 2017

Stormwater collected in the Walkerville basin has no treatment prior to entering the basin. However, the lagoon environment itself may provide a level of treatment through:

- Biological consumption of nutrients
- Ultraviolet disinfection by sunlight.

Bird life in particular can contribute pathogens. However, it is understood that these pathogens pose less risk to human and livestock health than pathogens sourced from humans or livestock, as discussed in Section 4.3.

3 Assessment Method

3.1 OBJECTIVES

RMCG has been requested to:

- Design and implement an appropriate sampling program (including methodology, extent and parameters analysed) to understand the quality and volume of silt in the Basin as well as the quality of the water.
- Provide a report advising on the results of the sampling, and our opinion as to:
 - The existence of any levels of pollution or contamination or “toxicity” existing within the silt or the water.
 - The prospect of that pollution or contamination or “toxicity” making its way to the Ansevata site; impacting on stock; and/or impacting on crops.

3.2 RISK ASSESSMENT OF POTENTIAL CONTAMINANTS

A risk-based approach has been taken to the sampling, testing and analysis for this project. We consider the retention basin as part of a system and consider the factors that could lead to contamination occurring in this basin.

Along with the sampling and testing data, information was gathered during a site visit, assessment of Shire database information and a review of mapping information (e.g. topography, lot size, soil/geology mapping). Potential inputs to the retarding basin were considered to understand likely contaminants in the water and sediment. Aspects investigated include drain condition and connectivity, evidence of greywater or septic discharge, and condition of fencing to prevent stock access.

No information has been provided as to the ‘toxic’ nature of the sediment or water. Professional judgement has been used to determine what testing would be most appropriate to identify components in the sediment or water that could make it unfit for purpose.

Based on the information gathered, a risk-based approach has been used to determine the likelihood that identified contaminants could cause adverse impacts (consequences) on livestock, crop or soil health, when water in the basin is used for irrigation or livestock drinking.

3.3 ASSESSMENT OF RELEVANT GUIDELINES

Industry guidelines have been used to develop the sampling and testing program, and as part of the water and sediment quality assessment. These guidelines include:

- *Australian and New Zealand Guidelines for Fresh and Marine Water Quality, Volume 3, Primary Industries, 2000* (referred to in this document as the ANZECC Water Quality Guidelines)
- *Revision of the ANZECC/ARMCANZ Sediment Quality Guidelines, 2013*
- EPA Publication 1192 *Tracing faecal contamination in urban drains – toolkit, 2007*
- EPA Publication 891.4 *Code of Practice – onsite wastewater management, 2016*
- EPA Publication IWRG701, *A guide to sampling and analysis of waters, wastewaters, soils and wastes, 2009.*

3.4 SEDIMENT AND WATER SAMPLING

The extent of the sampling was limited by the timeframe available – approximately three weeks. As such, single event sampling was undertaken. Historic sampling has been used to assist with identifying trends – although there are limited parameters that have been tested on multiple occasions.

Grab samples of water and sediment at both the basin inlet and pump-out point were obtained and sent to a NATA accredited laboratory (ALS Scoresby).

Water sampling was conducted using a boom sampler to recover 'grab' samples near the surface, and from bank-edge accessible locations. No 'on water' sampling was considered necessary for this initial screen sampling. Samples were collected by geotechnical engineering firm Tonkin and Taylor.

Sediment samples were collected using a hand-operated piston sampler. Samples were collected at approximately 2 m from the edge, towards the centre of the water body. The piston sampler was advanced to 0.25 m below sediment surface using extension rods.

Samples were transported to the laboratory, under chain of custody documentation.

Decontamination procedures were completed in accordance with AS4482.1-2005 in order to minimise cross-contamination of samples from sampling equipment and comprised removal of sediment adhering to sampling equipment followed by washing.

Results have been compared to historical sampling and testing data provided by the South Gippsland Shire. Data is available from four monitoring sites at the basin, as shown on the map below. Water quality has been tested at various times at all four locations. Sediment quality has been tested at SP2, SP3 and SP4.



Figure 3-1: Basin sampling locations

The water and sediment samples have been tested for a range of parameters including microbial pathogens, nutrients, salinity and heavy metals. Details are provided in Sections 4 and 5.

As there has been no identification as to the specific 'toxic' nature of the sediment, the sampling and testing proposed can be considered an initial screen to determine if there are any general indicators of contaminants in the sediment that could cause harm to stock or irrigated land/crops. The sampling and testing set has been used to determine if further detailed analysis is warranted.

Sampling of stormwater in the drains was not undertaken. This can only be conducted during a rain event and the water quality during an event is likely to have high variability (e.g. first flush will be of different quality to sustained flow). Multiple events would need to be sampled to provide statistically relevant data.

Sampling and testing of drain water quality was undertaken by the South Gippsland Shire following rainfall in September 2017. This has been considered, but given it relates to only one rainfall event, it is difficult to draw meaningful conclusions.

4 Water Quality Analysis

4.1 LIVESTOCK DRINKING GUIDELINES

The quality of the water in the retention basin has been assessed based on criteria outlined in the ANZECC Water Quality Guidelines. Key parameters for livestock are summarised in Table 4-1.

Note that these guidelines are trigger values. Below the trigger value there is minimal risk of adverse effects on animal health. Above the trigger value, investigations are recommended (e.g. of other factors such as age, condition, other dietary sources) to further evaluate the situation. Exceeding a trigger value therefore does not necessarily mean impact to stock health.

Table 4-1: ANZECC Water Quality Guidelines for livestock and measured values

PARAMETER	UNIT	STOCK WATERING GUIDELINE VALUE	MEASURED AT SP2 (INLET) 10/11/17	MEASURED AT SP4 (CURRENT PUMP-OUT) 10/11/17
Cyanobacteria (blue-green algae)	Microcystis cells/ml	11,500	No algae present	No algae present
	Microcystin-LR toxicity equivalents µg/l	2.3		
Microbial pathogens ²	Thermotolerant coliforms/100 ml	100	100 (<i>E. coli</i>)	35 (<i>E. coli</i>)
Total dissolved solids	mg/l	4,000 (2,400 for dairy cattle)	310	320
Sulfate	mg/l	1,000	<20	<20
Aluminium	mg/l	5	0.56	0.61
Fluoride	mg/l	2	0.07	0.06
Calcium	mg/l	1,000	9.1	9.2
Arsenic	mg/l	0.5	0.002	0.002
Boron	mg/l	5	0.04	0.04
Cadmium	mg/l	0.01	<0.0002	<0.0002
Chromium	mg/l	1	0.002	0.002
Cobalt	mg/l	1	<0.001	<0.001
Copper	mg/l	0.5 (sheep) 1 (cattle)	0.002	0.002
Lead	mg/l	0.1	<0.001	<0.001
Mercury	mg/l	0.002	<0.0001	<0.0001
Molybdenum	mg/l	0.15	<0.001	<0.001

² The Guidelines consider thermotolerant coliforms (also known as faecal coliforms), while the sampling program has measured *E. coli* (or *Escherichia coli*). *E. coli* is the most common thermotolerant coliform present in faeces (typically >90%) and studies suggest it is a more reliable indicator of faecal contamination. For practical purposes, they can be used interchangeably.

PARAMETER	UNIT	STOCK WATERING GUIDELINE VALUE	MEASURED AT SP2 (INLET) 10/11/17	MEASURED AT SP4 (CURRENT PUMP-OUT) 10/11/17
Nickel	mg/l	1	0.003	0.003
Zinc	mg/l	20	0.026	0.025
Selenium	mg/l	0.02	<0.001	<0.001
Uranium	mg/l	0.2	Not tested	Not tested
Nitrite (as N)	mg/l	30	<0.01	<0.01
Nitrate (as N)	mg/l	400	0.15	0.26

Laboratory analysis was not required for cyanobacteria (blue-green algae). Algae generally proliferate during summer, and were not present at the sample collection time. Anecdotal evidence suggests there has been no history of algal blooms at the basin (Tim Brown and John Lambert, South Gippsland Shire, pers. comm., 10/11/17). Blooms typically occur on warm days with light to calm winds (summer to autumn) in waters of neutral to alkaline pH containing elevated levels of inorganic phosphorus and nitrogen.³ Therefore, the level of nutrients in the water can be used to indicate whether algal growth is likely to occur during the summer.

Uranium was not tested. It is not considered a parameter of concern. It can result from mineral processing – which does not occur in the area – or it can occur naturally, particularly in groundwater, which is not used for water supply in Walkerville.

All results were well below the guideline values, with the exception of one sample that indicated *E. coli* at the guideline value. In the past *E. coli* has exceeded the trigger value of 100 orgs/100 ml. As such, a more detailed assessment of microbial pathogens has been undertaken and is discussed below in Section 4.3.

4.2 IRRIGATION GUIDELINES

In Table 4-2, sampling results are compared to the ANZECC Water Quality Guideline trigger values for irrigation.

For most parameters, the guideline values are the long-term trigger values (LTV). For short term irrigation (<20 years) higher guideline limits (STV) apply for some parameters (for example, the STV for aluminium is 20 mg/l, compared to the LTV listed below of 5 mg/l).

³ ANZECC & ARM CANZ, 2000

Table 4-2: ANZECC Water Quality Guidelines for irrigation and measured values

PARAMETER	UNIT	IRRIGATION GUIDELINE VALUE	MEASURED AT SP2 (INLET) 10/11/17	MEASURED AT SP4 (CURRENT PUMP-OUT) 10/11/17
Microbial pathogens ⁴	Thermotolerant coliforms/100 ml	1,000	100 (<i>E. coli</i>)	35 (<i>E. coli</i>)
pH		6 – 9	7.2	7.1
Salinity - Electrical Conductivity (EC) ⁵	µS/cm	<650 very low	460	460
Aluminium	mg/l	5	0.56	0.61
Arsenic	mg/l	0.1	0.002	0.002
Beryllium	mg/l	0.1	<0.001	<0.001
Boron	mg/l	0.5	0.04	0.04
Cadmium	mg/l	0.01	<0.0002	<0.0002
Chromium (VI)	mg/l	0.1 (VI)	0.002 (total)	0.002 (total)
Cobalt	mg/l	0.05	<0.001	<0.001
Copper	mg/l	0.2	0.002	0.002
Fluoride	mg/l	1.0	0.07	0.06
Iron	mg/l	0.2	2.8	3.2
Lead	mg/l	2.0	<0.001	<0.001
Lithium	mg/l	2.5	Not tested	Not tested
Manganese	mg/l	0.2	0.028	0.031
Mercury	mg/l	0.002	<0.0001	<0.0001
Molybdenum	mg/l	0.01	<0.001	<0.001
Nickel	mg/l	0.2	0.003	0.003
Selenium	mg/l	0.02	<0.001	<0.001
Uranium	mg/l	0.01	Not tested	Not tested
Vanadium	mg/l	0.1	0.001	0.002
Zinc	mg/l	2.0	0.026	0.025
Nitrogen	mg/l	5.0	1.5	1.6
Phosphorus	mg/l	0.05	0.14	0.12

The majority of parameters are well below the guideline trigger values for irrigation. The exceptions are:

- Iron exceeds the LTV, but is below the STV of 10 mg/l. Iron can cause problems when it precipitates on irrigation equipment causing clogging of trickle or dripper irrigation systems. It is not an issue with other forms of irrigation. Iron does not pose a risk to soil health (most soils are naturally rich in iron), and the

⁴ The trigger value of 1,000 coliforms/100ml applies to: raw human food crops not in direct contact with irrigation water (edible product separated from contact with water, e.g. by peel, use of trickle irrigation); human food crops sold to consumers cooked or processed; pasture and fodder for grazing animals (except pigs and dairy animals); non-food crops (silviculture, turf, cotton etc.). Where grazing of dairy cattle is to occur, a five-day withholding period is required following irrigation.

⁵ The trigger value given for EC is the lowest water salinity rating and suitable for sensitive crops. Higher irrigation water salinity can be used subject to crop grown, soil characteristics, climate and so on.

STV has been set so that continual irrigation of plants will not expose them to phytotoxic concentrations of iron.

- The LTV for phosphorus is again focussed on bioclogging of equipment. It has been set low enough to restrict algal growth, assuming all other conditions for algal growth are adequate (e.g. sunny, warm and calm conditions and other nutrients also elevated). The STV for phosphorus is a range of 0.8 to 12 mg/l, and the water samples have concentrations well below this. Phosphorus is not expected to build up in soils irrigated with the stormwater to levels where risk to the downstream environment is of concern. Additional phosphorus fertiliser would be required to meet nutrition needs for the crops irrigated.

Lithium and uranium were not tested and are not considered parameters of concern. Higher lithium concentrations tend to be found in association with hot springs in arid hydrogeological conditions. Potential sources of uranium are discussed in Section 4.1 above.

4.3 FURTHER ANALYSIS OF MICROBIAL PATHOGENS

MONITORING TRENDS

Monitoring results for *E. coli* are available since 2012. Results are graphed in Figure 4-1.

The ANZECC Water Quality Guidelines recommend that a median value of thermotolerant coliforms be used. A median value is based on a number of readings generated over a 12-month period from a regular monitoring program. The Guidelines state that investigations of likely causes are warranted when 20% of results exceed four times the median guideline level (400 orgs/100 ml *E. coli*.) in a 12-month period.

Prior to 2016, the sampling results indicated that *E. coli* levels did not exceed the guideline trigger. The median annual level remained below 100 orgs/100 ml *E. coli*.

In 2016, >20% of results exceeded 400 orgs/100 ml *E. coli* for Sampling Point 1. The rolling annual median for Sampling Point 1 also exceeded the guideline limit of 100 orgs/100 ml *E. coli* from May 2016 until early 2017 when regular monitoring at this point ceased.

In 2017, relatively regular monitoring was undertaken at Sampling Point 3. The median result during that calendar year was 63 orgs/100 ml *E. coli*.

Further investigations have been undertaken given the sampling results for 2016. All other years have been below the guideline limits.

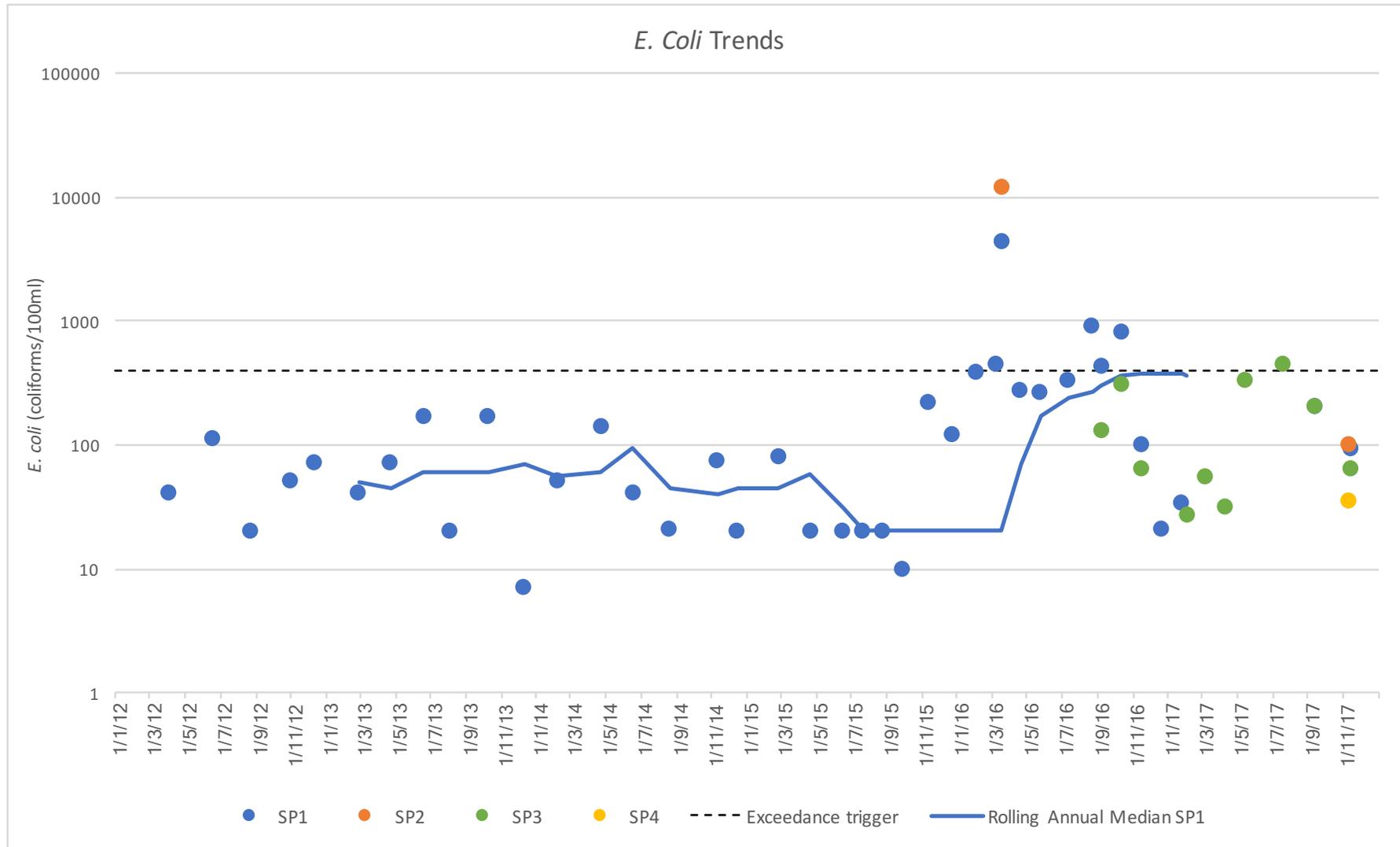


Figure 4-1: Monitoring results for *E. coli*

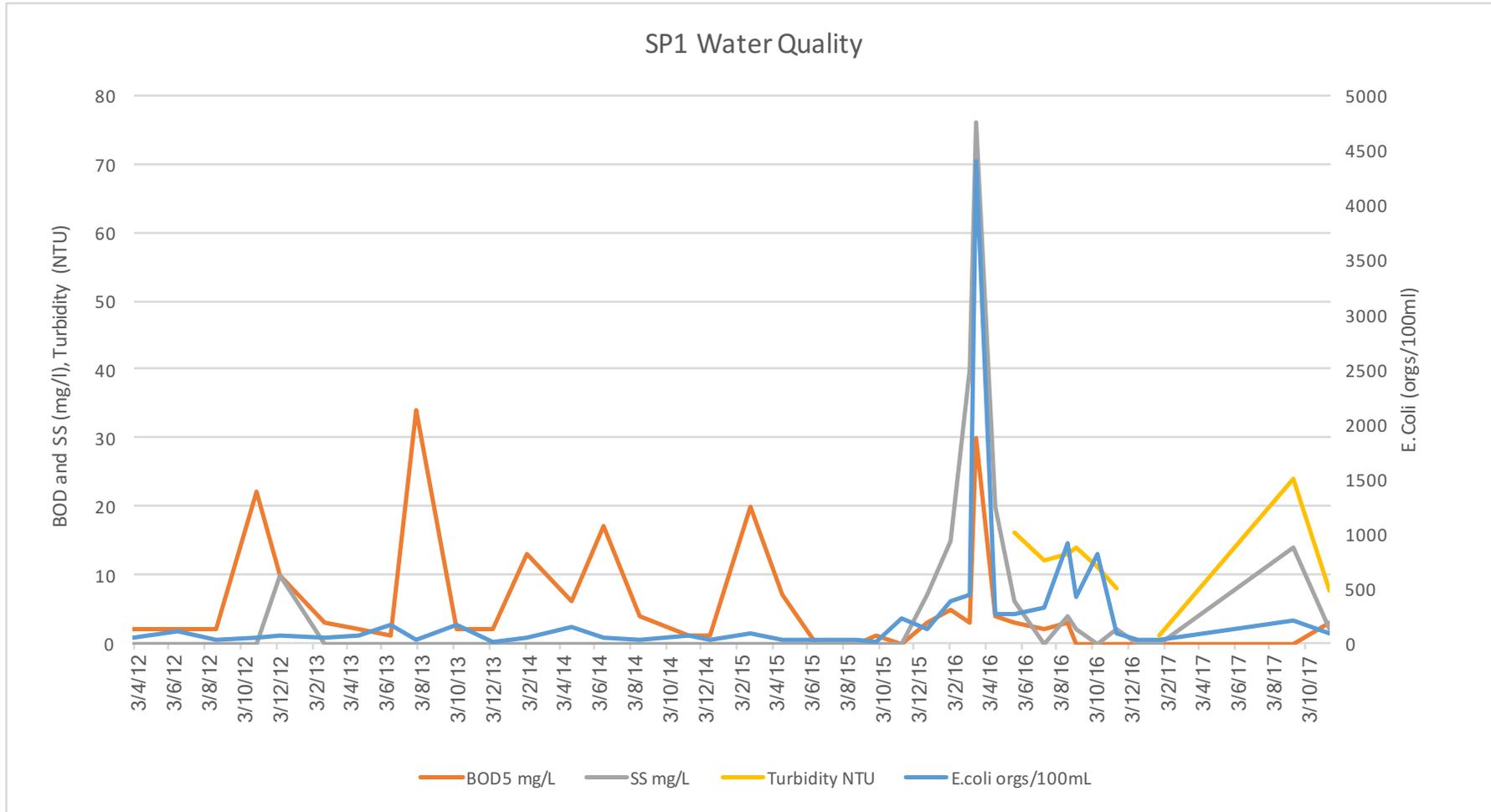


Figure 4-2: Comparison of Monitoring Parameters at SP1

COMPARISON WITH OTHER PARAMETERS

For Sampling Point 1, which has the most data available, comparison has been made between *E. coli* and other available monitoring data (including turbidity, pH, biological oxygen demand (BOD) and suspended solids (SS)), refer to Figure 4-2.

There is no clear correlation between *E. coli* results and the other parameters, with the exception of a corresponding spike in BOD, SS and *E. coli* in March 2016.

South Gippsland Shire noted that there may be a correlation between water depth and water quality (Tim Brown and John Lambert, South Gippsland Shire, pers. comm., 10/11/17). Depth in the basin is not recorded at the time of sampling. However, photos are generally taken of the basin, so approximate depth can be inferred from these. When the basin water level is very low, the sediment is more likely to be mobilised into the water column through wind and wave action. This would increase turbidity and suspended solids levels as shown in the following photo – the water is looking “muddy”. However, the correlation with *E. coli* is less clear. It is recommended that water levels are monitored when *E. coli* is sampled in future – refer to Section 8 for further details.



Figure 4-3: Walkerville stormwater retarding basin – 2 March 2016

MICROBIAL SOURCE TRACKING

It is noted that the Livestock Drinking Guideline value for microbial pathogens is 100 thermotolerant coliforms/100 ml. Previous testing indicates that the basin water can exceed this value on occasion.

Thermotolerant coliforms (and/or *E. coli*) are used as an indicator organism. Indicator organisms are used to verify water quality, as monitoring for specific bacterial pathogens is complex, expensive and time consuming. *E. coli* is an indicator of faecal contamination, but does not specifically indicate that pathogens are present.

Faecal contamination can originate from several sources. However, pathogens only originate from a subset of these. Also, faecal contamination may be sourced from multiple hosts, but human-infective (or stock-infective) pathogens are commonly found in only a subset of these.⁶

Sources of human faecal contamination pose a greater risk to public health than non-human sources.⁷ Where the faecal source is human – i.e. sewage – the fraction of human infectious pathogenic strains is 1.0. Whereas the fraction is much lower for non-human sources. Cross-species transmission is influenced by genetic distance between different species, geographical range, and other interaction barriers.

The fraction of human infectious pathogenic strains in seagull faeces has been roughly estimated at 0.2. Noting, however, that this will be site specific and related to factors such as feeding patterns of the seagulls.⁸ Based on this, combined with other factors such as persistence of different pathogens in the environment, the median illness risk associated with human sewage is approximately two orders of magnitude higher than that associated with seagulls.⁹

Similarly, the risk of transmittal to livestock is greatest in surface waters which are directly accessible by stock or which receive runoff or drainage from intensive livestock operations or human wastes.¹⁰

As such, microbiological source tracking (MST) has been conducted to determine the likelihood that the thermotolerant coliforms in the water are from human or animal sources. The basic assumption of microbial source tracking is that there are characteristics unique to the faecal bacteria from a particular host. Most of these target key genes can be “fingerprinted” or tied to a type of mammal, human or bird.

Test parameters and results are outlined in Table 4-3.

6 World Health Organization, 2016

7 EPA Victoria, 2007

8 Schoen ME, Ashbolt NJ, 2010

9 World Health Organization, 2016

10 ANZECC & ARM CANZ, 2000

Table 4-3: Microbial Source Tracking Test Parameters

TEST PARAMETER	SP2 (INLET) 10/11/17	SP4 (CURRENT PUMP-OUT) 10/11/17	SP2 (INLET) 18/3/16
Colilert (2000) - <i>E. coli</i> MPN Colilert orgs/100 ml	100	35	12000
Enterolert - Enterococci MPN Enterolert orgs/100 ml	52	6	-
Bacteroidales - Bacteroidales PCR	Detected	Detected	Not detected
Bacteroidales - Human Bacteroides QPCR copies/L	Not detected	Not detected	Not detected
Bacteroidales - Animal Bacteroides QPCR copies/L	33,000	280,000	Not detected
MST-1 - Total Weighted Risk	0.25	0.25	-
MST-1 - Risk Ranking	Medium	Medium	-
MST-2 - Human Bacteroides Marker Abundance	Low	Low	Low
MST-2 - Animal Bacteroides Marker Abundance	Medium	Medium	Low

The key risk identified for stormwater at Walkerville is the potential for domestic wastewater contamination. As such the presence of human faecal bacteria is the focus. The testing did not detect any human bacteroides and the marker abundance was considered Low.

Secure fencing is in place around the retarding basin. Therefore, the animal bacteroides identified are unlikely to be from livestock. The source is expected to be the birdlife on the basin. This poses a lower risk to livestock or human health than inputs from stock or humans respectively.

5 Sediment Quality Analysis

Sediments can be both a source and a sink for contaminants. They influence surface water quality, and can potentially impact the aquatic food chain through benthic biota (organisms that live on the surface of the sediment and in some subsurface layers). If the sediment is removed from the basin in future, it could also impact land where it is reused or disposed.

The sediment guideline values have been set to protect ecological values and they take a precautionary approach. Exceedance of a guideline value does not necessarily mean the sediment is toxic. Exceedance is a trigger for further investigation.

Sediment sampling was undertaken by South Gippsland Shire on 18 April 2017 at SP3 near the basin outlet (or overflow point). A further two samples were taken on 10 November 2017 at SP2 (the stormwater inlet) and SP4 (the current pump-out point). Results are compared to guideline values in the table below.

Table 5-1: Sediment Quality Guideline Values

PARAMETER	UNIT	GUIDELINE VALUE	MEASURED AT SP3 (OUTLET) 18/4/17	MEASURED AT SP2 (INLET) 10/11/17 ¹¹	MEASURED AT SP4 (CURRENT PUMP-OUT) 10/11/17
Antimony	mg/kg	2.0	Not tested	Not tested	Not tested
Cadmium	mg/kg	1.5	<0.2	<0.2	<0.2
Chromium ¹²	mg/kg	80	<1.0	<1.0	<1.0
Copper	mg/kg	65	7	24	8
Lead	mg/kg	50	11	13	13
Mercury	mg/kg	0.15	<0.05	<0.05	<0.05
Nickel	mg/kg	21	7	30	9
Silver	mg/kg	1.0	<5	<5	<5
Zinc	mg/kg	200	36	190	25
Arsenic	mg/kg	20	<5	8	<5
Tributyltin	µg/kg	9.0	Not tested	Not tested	Not tested
Total PAHs	µg/kg	10,000	<0.1	<0.4	<0.1
Total DDT	µg/kg	1.2	<0.05	<0.2	<0.05
DDE	µg/kg	1.4	<0.05	<0.2	<0.05
DDD	µg/kg	3.5	<0.05	<0.2	<0.05
Chlordane	µg/kg	4.5	<0.05	<0.2	<0.05
Dieldrin	µg/kg	2.8	<0.05	<0.2	<0.05
Endrin	µg/kg	2.7	<0.05	<0.2	<0.05
Lindane	µg/kg	0.9	<0.05	<0.2	<0.05

¹¹ The SP2 sample was relatively moist (60% moisture content) and as a result the limit of reporting for many parameters was higher than for the other sample.

¹² Sampling results are for total hexavalent chromium, rather than total chromium.

PARAMETER	UNIT	GUIDELINE VALUE	MEASURED AT SP3 (OUTLET) 18/4/17	MEASURED AT SP2 (INLET) 10/11/17 ¹¹	MEASURED AT SP4 (CURRENT PUMP-OUT) 10/11/17
Total PCBs	µg/kg	34	<0.1	<0.4	<0.1
TPHs (total petroleum hydrocarbons)	mg/kg	280	<140	<630	<140

The results show that all analytes tested are lower than the sediment guideline values, with the following exceptions:

- Silver results are inconclusive. Silver was analysed at a limit of reporting higher than the guideline value. The actual laboratory results for the samples were 0.03 mg/kg (Brad Snibson, ALS, pers. comm., November 24, 2017) but the confidence interval for the testing method means they can only report to 5 mg/kg. Water quality results indicate very low levels of silver <0.001 mg/l. It is not noted as a heavy metal of particular risk to livestock health or irrigation water use – there is no ANZECC guideline value for silver. There is unlikely to be toxic levels of silver in the sediment. Sources of silver are generally ore processing, photography, dentistry and electronics.
- The guideline trigger value for nickel was exceeded for one sediment sample. However, this sample was still below the SQG-High value for nickel which is 52 mg/kg. Above this level there would be a high probability of effects. Nickel levels in the water samples are well below the ANZECC guidelines for livestock drinking and irrigation use.
- The result for total petroleum hydrocarbons (TPHs) was inconclusive for one sample. This sediment sample had a relatively high moisture level resulting in the limit of reporting being higher than the guideline limit. This is due to insufficient sediment being available for testing, rather than an indication of the presence of TPHs.

Antimony was not tested in any of the sediment samples and is not considered a parameter of concern. As antimony is naturally occurring in the environment, people are exposed to relatively small amounts every day in air, food and water. Sources of antimony at toxic levels result from mining or processing of its ores and in the production of antimony metal and alloys. Neither occurs in proximity to Walkerville.

6 Risk Assessment

A risk assessment provides an evaluation of the potential risks posed by the stormwater or sediment in the basin to stock and crop health. The risk assessment is provided in Table 6-1. Any assumptions, uncertainties or unknown information has been noted in the table comments.

This is a qualitative estimation of risk. Likelihood and consequence measures are combined to estimate risk as per the process outlined in Appendix 1.

Table 6-1: Risk assessment

	POTENTIAL CONTAMINANTS	LIKELIHOOD	CONSEQUENCE	RISK ASSESSED	COMMENT
Water Quality	Pathogens and parasites – human origin	<u>Unlikely</u> There is a possibility from domestic wastewater – particularly given small lot sizes. However there are multiple treatment barriers between houses and Ansevata – including the basin itself.	<u>Minor</u> May cause minor stock illness, but no evidence of this occurring to date.	Low	<i>E. coli</i> has exceeded the guideline trigger value on occasion. However, microbial source tracking indicates there is a low risk this is due to human bacteroides.
	Pathogens and parasites – animal origin	<u>Almost certain</u> (birds)	<u>Insignificant</u> Lower range of infective pathogens than from humans or livestock.	Low	The <i>E. coli</i> levels in the retarding basin are most likely a result of inputs from birdlife. This poses a lower risk to livestock or human health than inputs from stock or humans.
		<u>Rare</u> (livestock) Due to fencing.	<u>Minor</u> May cause minor stock illness, but no evidence of this occurring to date.	Low	
Nutrients	<u>Unlikely</u> From domestic wastes, garden fertilisers, plant material. Multiple treatment barriers between houses and Ansevata – including the basin itself.	<u>Minor</u> Beneficial to crops. Excess levels can lead to algal blooms.	Low	Low levels measured in basin. Fertiliser likely to be required at reuse site to ensure adequate crop growth.	

	POTENTIAL CONTAMINANTS	LIKELIHOOD	CONSEQUENCE	RISK ASSESSED	COMMENT
Water Quality	Salts	<u>Unlikely</u> Shallow groundwater. Detergents.	<u>Insignificant</u> High rainfall and sandy topsoils will ensure salt does not accumulate in root zone.	Low	Very low levels measured in basin.
	Metals	<u>Rare</u> No industry or mining in stormwater catchment. Possibly trace amounts e.g. lead and zinc from roads; copper from domestic pipes.	<u>Minor/Moderate</u> Varies depending on metal in question.	Low	Sampling results indicate metals at very low levels.
	Blue-green algae (cyanobacteria)	<u>Rare</u> No history of algal blooms at site. Not all algal blooms are toxic.	<u>Moderate</u> Direct ingestion by stock can lead to weakness/lethargy and in serious cases respiratory failure.	Low	Refer to 4.1 for further discussion.
Sediment Quality	Metals and metalloids	<u>Rare</u> No industry or mining in stormwater catchment. Possibly trace amounts e.g. lead and zinc from roads; copper from domestic pipes.	<u>Minor/Moderate</u> Varies depending on metal in question.	Low	Sampling results indicate sediment is non-toxic.
	Organic chemicals	<u>Rare</u> Inappropriate disposal of garden chemicals, paint, solvents, petrochemicals.	<u>Minor/Moderate</u> Varies depending on chemical in question.	Low	Sampling results indicate sediment is non-toxic.

7 Conclusions

The risk assessment identified a low risk for all potential contaminants of water and sediment quality.

Our opinion is that the stormwater in the retarding basin is suitable for the purposes of irrigation of pasture and crops, and for livestock drinking.

It is noted that the guideline values have been exceeded on occasion. However, exceedance of a guideline value is a trigger for further investigation, and this further investigation suggests minimal risk for livestock drinking and irrigation.

In particular, sampling in 2016 has indicated *E. coli* at levels above the guideline value for livestock drinking (median 100 orgs/100 ml). Given the basin is fenced, the *E. coli* is not expected to be from livestock. There is a possibility of contamination from domestic wastewater. However, there are multiple treatment barriers between the houses and Ansevata – including the basin itself. Microbial source tracking has been undertaken. This did not detect any human bacteroides in the stormwater basin. It is deduced that the source is birdlife on the basin. This poses a lower risk to livestock or human health than inputs from stock or humans respectively.

A summary of the risk assessment is provided in the following table. This has taken sampling results into account as well as broader information gathered during a site visit, assessment of Shire database information and a review of mapping information (e.g. topography, lot size, soil/geology mapping).

Table 7-1: Summary of risk assessment

	CONTAMINANT	RISK ASSESSMENT
Water quality	Pathogens & parasites – human origin	Low
	Pathogens & parasites – animal origin	Low
	Nutrients	Low
	Salts	Low
	Metals	Low
	Blue-green algae	Low
Sediment quality	Metals and metalloids	Low
	Organic chemicals	Low

8 Recommendations

Given the low risk levels identified, recommendations for ongoing monitoring are minimal.

It is suggested that South Gippsland Shire continues with monitoring of *E. coli*, turbidity, pH, suspended solids and biological oxygen demand. This should be undertaken on regular basis – for example, monthly or bi-monthly. We recommend sampling at SP4 (refer to Figure 3-1) near the current pump out point.

In addition, a water level gauge could be installed at the basin to track depth. This can be used to assess if there is any correlation between depth and *E. coli*. If a correlation is identified, management of water levels could be used to improve the water quality extracted for livestock and irrigation use.

References

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EPA Victoria (2007). *Tracing faecal contamination in urban drains – toolkit*. Publication 1192

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World Health Organization (2016). *Quantitative Microbial Risk Assessment: Application for Water Safety Management*

Appendix 1: Risk Assessment Process

Qualitative Measures of Likelihood

DESCRIPTOR	EXAMPLE DESCRIPTION
Rare	May occur only in exceptional circumstances.
Unlikely	Could occur in unusual circumstances.
Possible	Might occur or should be expected to occur.
Likely	Will probably occur.
Almost certain	Is expected to occur.

Qualitative Measures of Consequence or Impact

DESCRIPTOR	EXAMPLE DESCRIPTION
Insignificant	Insignificant impact or not detectable.
Minor	<p>Livestock Health – Minor impact for small population (stock growth rate slowed for single or small number of animals).</p> <p>Crops Irrigated – Minor impact to crop (small decrease in yield quantity/quality).</p> <p>Produce Quality – Contaminated produce has minor human health impact (minor illness requiring medical treatment, or causing lost work time).</p> <p>Soil Health – Potentially harmful to soils with impacts contained onsite and can be rehabilitated.</p>
Moderate	<p>Livestock Health – Minor impact for large population (growth rate slowed for numerous animals).</p> <p>Crops Irrigated – Moderate impact to crop (large decreased in yield).</p> <p>Produce Quality – Contaminated produce has moderate human health impact (serious illness with hospitalisation, or multiple minor illnesses).</p> <p>Soil Health – Potentially harmful to local soils and potential for off-site impacts.</p>
Major	<p>Livestock Health – Major impact for small population (single or small number of animal deaths).</p> <p>Crops Irrigated / Produce – Total crop failure.</p> <p>Produce Quality – Contaminated produce has major human health impact for small population (life threatening illness).</p>

DESCRIPTOR	EXAMPLE DESCRIPTION
	Soil Health – Potentially lethal to local soil ecosystem; widespread onsite and offsite impacts.
Catastrophic	Livestock Health – Major impact for large population (numerous animal deaths). Produce Quality – Contaminated produce has major human health impact for large population (e.g. death or multiple life-threatening injuries). Soil Health – Offsite impacts potentially lethal to regional ecosystem or threatened species, soils rendered toxic for decades.

Qualitative Risk Assessment

LIKELIHOOD	CONSEQUENCES				
	Insignificant	Minor	Moderate	Major	Catastrophic
Rare	Low	Low	Low	High	High
Unlikely	Low	Low	Moderate	High	Very high
Possible	Low	Moderate	High	Very high	Very high
Likely	Low	Moderate	High	Very high	Very high
Almost certain	Low	Moderate	High	Very high	Very high

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Document review and authorisation

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1.0	Draft	28/11/2017	A. Kelliher	H. Hall	H. Buck	A. Kelliher	A. Sherman, RK
2.0	Draft	2/1/2018	A. Kelliher	H. Hall	P. Mawson	A. Kelliher	A. Sherman, RK
3.0	Final	14/3/2018	A. Kelliher		P. Mawson	A. Kelliher	A. Sherman, RK

7. NOTICES OF MOTION AND/OR RESCISSION

7.1. NOTICE OF MOTION 714 - LEADERSHIP PLAN FOR LEONGATHA

PURPOSE

To identify ways of strengthening partnerships and collaboration with communities. To identify the potential for a series of such bodies as the pilot Korumburra Round Table to address Council's Plan recommendation "to Investigate opportunities to consider a model for community self-determination to facilitate working in partnership with the community" and strategy 2.3 Update and implement strategies for Community Strengthening and Engagement.

Establishment of a Leadership structures and process and Township Plan for Leongatha To identify ways of establishing a leadership structures and processes and a township community plan for strengthening community engagement and promoting the sustainable development of Leongatha .

MOTION

I, Councillor Cr Don Hill, advise that I intend to submit the following motion to the Ordinary Meeting of Council scheduled to be held on 28th March 2018.

That Council:

- 1. Receive a report by 30 May 2018 on how to conduct and convene with local organisations workshops/consultation on the desirability of collaboratively establishing an appropriate leadership structures and process for Leongatha and developing a Community plan and vision.**
- 2. Identify any additional resource requirements for implementing such an approach.**
- 3. Receive a report on a policy framework by July 2018 to potentially use such district coordinating bodies across the Shire to strengthen community engagement and partnerships and working collaboratively with communities, including potential terms of reference, resource requirement and suggested local districts.**

BACKGROUND

Leongatha Leadership structures and process

Successful towns characteristically have a strong shared vision of where they want to go and the leadership structure and processes that facilitate and support getting to the chosen direction.

Leongatha unlike other towns does not have a community or township plan for their future development. There are a range of strong and effective organisations in the towns, but there is not one coordinating structure that has the authority and is able to address overall development priorities and speak up for the town. Successful towns have the collaborative processes that allow good ideas to emerge, to be distilled and be collaboratively implemented.

Council acting alone does not have the capacity or agency. It can be part of the process but not the leader.

There are serious challenges that the town needs to address. These include:

- The lack of a shared vision and community plan for future of Leongatha
- The high vacancy rates and rents for retail and commercial premises.
- The challenges that the Leongatha MG factory will face with increasing competition and an as yet unknown outcome of the proposed Saputo takeover and its likely flow on consequence.
- The lack of appropriate leadership structures and process that have been crucial in the revivals and development of other towns in the shire (Mirboo North, Meeniyan, Fish Creek Korumburra).
- Its ongoing decline relative to Wonthaggi and the need for a strategic approach to attract more businesses
- Lack of a positive identity and brand

Council in its Council Plan is committed to working more closely in partnership with communities and in engaging people in setting priorities and directions. Council is committed to spend a significant amount of monies on the revitalisation of the Leongatha, including Blair St the proposed rail trail extension, Leongatha railway station, sports fields and clubrooms in South Leongatha and a new library. Council has between \$14-20m potentially committed, which make up a significant proportion of new initiatives in South Gippsland (40%+) fifteen year long term financial plan.

Part of the turnaround of our small towns and the beginning of revival for Korumburra is due to the presence of supportive structures and processes that have facilitated local collaboration, cooperation and joint action. The Korumburra Round Table has proven to be a successful force for bringing people together to develop a Town Plan and has operated in strong collaboration with the revitalised Business Association. The Mirboo Country has been vital in developing the future vision and Plan for Mirboo North and in implementing its chosen directions. Local traders and progress associations in Loch, Meeniyan, Fish Creek, Welshpool and Foster have been instrumental in providing community engagement and leadership.

The shire successfully used a collaborative planning process for the railway station precinct redevelopment proposals. The process was however limited to just plans for the precinct. There is clearly scope for harnessing the creative talents of Leongatha to work collaboratively for a better future.

- Engage the community
- Develop a genuinely shared future vision and Town Plan of where it wants to and needs to go to progress in the future
- Establish priorities based on broad participation of the community.
- Mobilise available community, government and council resources to achieve desired direction

Council provides support for all communities to develop their Plans and significant support for Korumburra Roundtable. It has not provided such

support to Leongatha. The proposal is that council in conjunction with key local organisations convene a workshops/consultation on the desirability of collaboratively developing potential Township plan and establish an appropriate leadership structures and process for Leongatha.

Despite its commitment to facilitating the development of Community Plans no such plan has been resourced or developed for Leongatha.

This approach is consistent with council's four year plan.

Council's Commitment to the Community Council's Commitment

- "Encourage our communities and support our community leaders"
- "Focus attention on the economic growth of our Shire, the sustainability of our businesses and the creation of jobs; our survival depends on it."

Objective Overview

A Council that listens and continues to involve its community in decision making and delivery of services and projects:

- 2.1 Where appropriate support community groups to achieve projects they have ownership of and want to progress.
- 2.8 Investigate opportunities to consider a model for community self-determination to facilitate working in partnership with the community.

Policy Framework for district coordinating bodies

Council plan identifies the need to work in partnership with communities, the desirability of strengthening community engagement and the potential to explore local decision making structures and processes. This motion allows council to explore options and possibilities to achieve these outcomes.

The Korumburra Roundtable Experience

The Korumburra Roundtable was established by the last Council from a NOM by Cr Andrew McEwen. It was started because when he door knocked the whole of Korumburra he found an all embracing negativity, a sense of being dealt with unfairly, a tall poppy syndrome and divided community. There were good people and organisations, but no agree structure or process for joint deliberation and action.

The concept was that if the right organisation and people were represented the body could become a force for appropriate social, economic and cultural development of Korumburra. The body included representatives of some organisations, independent members and nonvoting ward councillors.

Like starting anything, it was a rocky road for a new venture, to understand it role, find its niche and flourish. There was considerable confusion over its role and whether it was a planner, an advocate or a doer. In practice this was resolved as often is the case through action learning.

A number of projects were initiated which started to define the role of the group. They included:

- A township signage project including a new logo and tag line.

- Two future visioning workshops
- Development of Township downloadable App
- Establishment of an Arts Group and arts events
- Development of a mural brochure
- A focus on design of Commercial street
- Development of a community plan for Korumburra
- Working with KBA re Christmas celebrations
- Gaining commitment of a revitalization project for Korumburra
- Gaining commitment for footpath to Korumburra secondary College

Council provides secretarial support and the meetings are attended by a Director to provide information on councils activities. The group is functioning well and has high calibre people. Through its representative structure it has excellent working relations with key organisations.

It was originally established as a pilot project to assess the utility of the model for South Gippsland generally. It is similar to the Mirboo Country in its interests although it has a different structure.

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Council Plan 2017 – 2021: Objective 2. Communities are supported by appropriate and relevant services. 2.1. Where appropriate support community groups to achieve projects they have ownership of and want to progress.

7.2. NOTICE OF MOTION 715 - CONSULTATION TO PLAN FOR LOCAL BUS SERVICES

PURPOSE

Council to provide a leadership role in developing and advocating for local bus service proposals in conjunction with local community organisation and the South West Gippsland Transport Group (SWGTTG) for the next state election.

MOTION

We, Councillors Andrew McEwen, Jeremy Rich, and Aylson Skinner, advise that we intend to submit the following motion to the Ordinary Meeting of Council scheduled to be held on 28th March 2018.

That Council:

- 1. In partnership with South West Gippsland Transport Group(SWGTTG), Transport for Victoria (TFV) and local business and resident associations develop a consultation plan and convene appropriate workshops and consultations to develop a local bus services plan for South Gippsland.**
- 2. In partnership with SWGTTG and local groups advocate for the proposed local bus service to all political parties and candidates in the forthcoming state elections.**

BACKGROUND

Given that this is an election year there is a real opportunity for Council to lead a campaign to get political parties commitment to fund and develop local bus services for South Gippsland. South Gippsland is one of the few Council areas of its size that has no local bus services. This places many people at great disadvantage to access, education, health, government services, accessing recreation facilities and to visit friends and relatives. Despite the State Governments regional public transport plans, commitment to equity and fairness of access and services, South Gippslanders are the poor cousin.

Council has an important role to play in advocacy under the Local Government Act and has been perceived to be underperforming in this area. This is an opportunity to provide real leadership for the community. To achieve this we need leadership from council to help facilitate the planning process. Without a decent and agreed plan it is highly unlikely our desires for fairness in accessing public transport in a safe seat will be met.

72% of people in South Gippsland have poor public transport access to services such as hospitals, health centres, courts, TAFE/Uni, Centrelink, Centrelink Agencies and pharmacies. Some 20,000 people do not have ready access to important services, which others take for granted. South Gippsland is significantly disadvantaged in terms of ready access to public transport with only 8.5% having a bus stop within 800m from home versus 35% for Gippsland councils or the State average of 74%.

Southern Gippsland has only a handful of taxis, which for many people are too expensive and at times difficult to access. If the government is committed to principles of equity and fairness priority must immediately be given to develop a local transport networks that as the State Government own report says that public transport should “get people where they need to go”, “make it easier for people to move around regional Victoria using public transport.”, “respond to changing local travel needs and support local infrastructure and services plans and finally “Improving local transport and making new connections.” All of these objectives and principles have been breached by the Government.

There is some indication from local members and other political parties that if there was a reasonable plan developed by the community that it would be seriously considered.

We are simply seeking equitable treatment for people of our Shire.

This motion is seeking council’s leadership in facilitating some workshops in partnership with community organisation to develop bus plan proposals for the election. Regional representatives of the Transport for Victoria (TfV) have indicated their willingness to help facilitate such a planning exercise with Council.

The meetings could be jointly convened by council, SWGTG and town and business associations. It is envisaged that 2-4 workshops are held and possibly using the OurSay platform for wider consultation. Council would convene an organising group of SWGTG, Transport for Victoria and be responsible for promoting events and facilitating the workshops.

It is proposed that they be organised between April and July with a proposal being develop and consulted in June-July 2018.

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council’s website: www.southgippsland.vic.gov.au

Council Plan 2017 – 2021: Objective 2. Communities are supported by appropriate and relevant services. 2.1. Where appropriate support community groups to achieve projects they have ownership of and want to progress.

7.3. NOTICE OF MOTION 716 - PROPOSED MIRBOO NORTH LOGGING COUPS

PURPOSE

That council, in undertaking its advocacy role under the Local Government Act, supports the protection of the proposed 3 logging coups in Mirboo North because of the clear desire of the community to exclude these logging coups; because of the lack of genuine consultation in 2014 and 2017-18 in assessing these coups and crucially because it will adversely affect the social, ecological and economic outcomes for the community. The logging will destroy more value in tourism than it creates and in adversely affect the health and well-being of the community.

MOTION

We, Councillors Don Hill and Andrew McEwen advise that we intend to submit the following motion to the Ordinary Meeting of Council scheduled to be held on 28th March 2018.

That Council:

- 1. Acknowledges and supports the Mirboo North Community Campaign to Protect their local Forests.**
- 2. Resolves to strongly oppose any logging as proposed by VicForests i.e. the 3 coupes of native forest near Mirboo North identified by VicForests as the Oscine, Doug & Samson Coupes; and write to the Premier and appropriate Ministers advising them of this.**
- 3. Agrees to collaborate with the Preserve Our Forests Steering Committee to advocate to stop all VicForests logging in and around Mirboo North and make the transition to sustainable plantation timbers wherever opportunities arise.**
- 4. Includes an objective in the Community Plan to work collaboratively with all key agencies and the community to advocate for the preservation and enhancement of the Strzelecki bioregion.**

BACKGROUND

Opposition to VicForest Logging Coupes In Mirboo North District

Three coupes in Mirboo North District are scheduled for logging in mid 2018 and were listed in the 2017 Timber Release Plan: Oscine, Doug and Sampson Coupes. The proposal is about logging three coupes of around 112h.



Picture: 14 September 2017 over 350 or about 20% of the community members attended.

There are multiple and compelling why the proposed logging of the three coups near Mirboo North should be excluded by VicForests.

Such logging would:

1. Undoubtedly lead to an ongoing net loss of economic activity, employment and benefit for the community. The annual return for logging over the sixty year period of regeneration is only \$133k p.a.
2. There would be marginal net local economic benefit from the proposed logging and high real costs. The PWC report concludes that continued native forest logging is uneconomic and that support for other industries, including plantation forestry and tourism would generate greater returns. (Rethinking Victoria's Approach to Native Forestry PWC 2016)
3. Add very marginally to a rapidly declining and unsustainable native forest logging industry that is declining by 34% since 2006 and now only employ 338 FTE. (Rethinking Victoria's Approach to Native Forestry PWC 2016)
4. Detract from the growing brand image/reputation of Mirboo North and District as an area of pristine nature, bush walks and forest settings.
5. Seriously fail the accepted triple bottom line assessment of the proposed logging, given that it will cause major/significant social, ecological, and economic damage for minimal return and a long term return net loss.
6. Would lead to further marginalisation of 1.5% remnant vegetation of the Strzelecki bioregion, putting the Damp Forest, which are ENDANGERED in the Strzelecki Ranges; Lowland Forest, which are VULNERABLE in the

Strzelecki Ranges and Wet Forest, which are DEPLETED in the Strzelecki Ranges at heightened risk.

7. Would lead to further pressure on the powerful owl, whose Status is threatened under Victoria Flora and Fauna Act and with 30 identified to date in 4 surveys of the Greater Gliders, whose Status is Vulnerable and a matter of national significance under the Environmental Protection Biodiversity Conservation Act 1999 and the Lance Monitor, whose status is Endangered under Victoria Flora and Fauna Act.
8. Be faced with overwhelming community opposition with over 350 people or 20% adult population attending a community meeting on 14 September 2017.
9. Be in direct contradiction to council's own sustainability strategy that states that Council '... recognises the importance of our region's biodiversity and is dedicated to preserving such values, to reduce the loss of species and biological diversity.' And 'Protect South Gippsland's biodiversity -plants, animals, microorganisms and genetic material and the ecological systems they occur in.' The Strzelecki regional ecosystem is of State and Australia significance. These remnant areas are fundamentally important for the preservation of endangered species and the high value Strzelecki.'
10. Fails the consultation test of Council and indeed the State Government given that VicForests acknowledged the 2017 Timber Release Plan was prepared by VicForests in 2014 with almost no community consultation and an inappropriate timing of the recent consultation.

The logging would impact on biodiversity, water supply, carbon emissions and climate change, along with diminished opportunities to secure a new economic direction for regional communities are core reasons why native forest logging has no long term future in Victoria.

The parliamentary inquiry in 2017 into VicForest reached very serious findings about the competence of VicForest:

"However, the Committee recognises the need for improvements to VicForests' operations that would include, increased oversight of its management of timber resources and the need to improve compliance to existing regulation and legislation"

The Departments (DELWP) data on flora and fauna assessment used in selecting the timber releases is 25 years old and only covers 35% of the state. Logging could proceed without a proper assessment of its impact on the 3 coups.

It s a choice between a once off payment of may be up to \$8m (most of which will flow out of the community or continuing to support a thriving and growing tourist industry valued at \$30m locally (REMPPLAN). Currently there are only 6 forestry and logging jobs and 24 wood product manufacturing jobs in the Shire

(2016 Census Council Remplan) versus Tourism 606 jobs. In short tourism jobs are 101 times more important to the Shire than logging. Currently agriculture brings in \$2685m, Tourism \$100m and Timber only \$11m. This project would add a once of \$8m with little local impact once in 60 years or just \$133k per annum.

Every \$1 of investment in native forestry delivers just 3 cents in direct and 11 cents in indirect benefits to the state economy, or 14 cents in total. That compares to \$1.63 for the forestry sector as a whole, and \$2.65 for the manufacturing sector. (Rethinking Victoria's Approach to Native Forestry PWC 2016)

"Our analysis of the native forest industry sector found that the operations using the land are not competitive or financially viable...The native forest sector demonstrates that it supports an estimated 338 FTE. Employment has dropped by 30% since 2001." (Rethinking Victoria's Approach to Native Forestry PWC 2016)

The internationally accepted assessment environmental-economic accounting devised by the United Nations clearly illustrates that other industries deliver far better, more lucrative and sustainable economic outcomes for Victoria and Mirboo North.

The community foresees a significant reduction in visitations to the area; with current and long term local jobs in hospitality, tourism, retail, food production and education displaced and lost.

Ms Young from ANU conducted an analysis using the United Nations' System of Environment and Economic Accounting (SEEA) found that logging is the least generative of incomes compared to industries such as, tourism, water, carbon sequestration and agriculture in native forests. She concluded:

It is our view that the forest estate currently subject to VicForests logging operations should instead be managed for other values, which would enhance recreation, derive and manifest economic, environmental and social benefit from environmental and ecosystem services... tourism, agriculture, water and the fledgling and looming carbon market.

Her assessment in Central Highlands indicates tourism has 12 times the returns of logging forestry, water 70 times the returns of logging. Logging returns were 1% of the overall returns versus not logging. Economically not logging is streets ahead.

In a post truth world people may hark back with nostalgia to the good old days when native forestry was a major and thriving industry, but today native logging is on its death bed with rapidly declining employment and precarious supply of sustainable forest that can't be logged without irreparable harm. The industry is as the Parliamentary Enquiry said in urgent need of a good transition plan that deals with these challenges. More of the same will not work for it. The industry needs to continue to transition and shift to plantation timber.

Council has a very poor satisfaction rating for its advocacy, which is a clear leadership role for councils under the Local Government Act. It has dropped from a poor 51% satisfaction with its advocacy in 2012 to a 47% FAIL in 2017 or by nearly 10%. This is a sure sign that the community believes that council is not listening properly to its concerns and acting accordingly. This was previously compounded by its unwillingness to address widespread community concerns (80% plus opposing according to the Governments own consultant) about CSG mining.

This is an opportunity to restore confidence and faith in council's willingness to listen to the community, to assess the evidence and to stand united with them consistent with its own sustainability and economic development strategy. Are we backing a declining 20th century industry with little returns or are we protecting our emerging image as a premium agricultural region with beautiful rolling hills and forests and bush land and a vibrant growing tourism industry? A large section of the community is seeking council to act as advocate for a 21st century industry that is sustainable vs. continuing to subsidize a declining 20th century industry.

The overwhelming majority of Victorian voters support protection of native forests, in fact over 90% of Victorian's want public forests protected for wildlife, tourism, recreation and a safe climate, and only 7% believe public forests should be logged for wood and paper products. (ReachTEL conducted a survey of 1,649 residents across Victoria. The survey was conducted during the night of 7 December 2016.)

South Gippsland has the least remaining native vegetation of any rural council in Victoria. It's time to show leadership, to make a stand for sustainability and for future prosperity and not preserve a rapidly declining industry on life support that survives on subsidies.

REFERENCE DOCUMENTS

Nil

8. PROCEDURAL REPORTS

8.1. FINANCIAL PERFORMANCE REPORT JULY - FEBRUARY 2018

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

This Report provides an overview of Council's financial performance for the period July to February 2018, in summary:

- Operating result: \$1.71M surplus which is \$2.95M favourable when compared with the year-to-date budget projection of a \$1.24M deficit.
- Capital works: \$5.20M expenditure which is \$3.84M behind a year-to-date budget of \$9.04M.
- Cash assets: Projected 30 June \$13.53M, against the Original budget of \$7.74M.
- Underlying working capital ratio: Projected 30 June 1.84 to 1 against the Original budget of budget 1.65 to 1.
- The projected financial outcome for 2017/18 is a \$1.48M surplus. This is \$0.28M unfavourable compared to the originally budgeted surplus of \$1.76M.

Section 138 of the Local Government Act 1989 (Quarterly statements) states that;

- (1) *At least every 3 months, the Chief Executive Officer must ensure that a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date is presented to the Council at a Council meeting which is open to the public.*

RECOMMENDATION

That Council receive and note the Financial Performance Report (Attachment [8.1.1]) for the period July 2017 to February 2018.

REPORT

Council each year sets an Annual Budget within the framework of a 15 year Long Term Financial Plan. Guidance is provided by the Long Term Financial Strategies when developing annual and longer term budgets. The financial integrity of the budgeted financial statements in the annual and forward budgets can be assessed by reference to financial performance indicators.

Throughout the course of the financial year the actual financial performance is managed by:

- Comparing year-to-date actual financial performance with the year-to-date budgets.

- Monitoring the financial impact of changes made to budget projections on the forecast financial results at year end; and
- Monitoring the longer term financial ramifications against the originally adopted Long Term Financial Plan.

The financial performance indicators that were used to develop the annual and long term budgets are used to monitor projected financial outcomes at year-end as well as the longer term financial ramifications.

The Financial Performance Reports are intentionally prepared outside traditional quarterly cycles. The timelines better align with strategic events that occur throughout the financial year. This enables important financial updates to be provided to Council and the community in a timely manner.

The reporting timelines include:

- August: Report identifies financial implications of previous year's financial results as well the budget impact of funding projects carried forward that were not completed by 30 June.
- November: Report identifies financial implications of any changes made to operational or capital budgets prior to the commencement of the development of the annual budget for the following financial year.
- February: Report aligns with annual budget process.
- May: Report provides Council with an anticipated financial outcome for year-end including identifying budgets being carried forward for projects that are not expected to be completed by 30 June.

At the end of the financial year, comprehensive financial statements and performance statements are produced, subject to external audit and included in the Annual Report.

Discussion

Attachment [8.1.1] - Financial Performance Report contains detailed reporting on:

Executive Summary

This section provides a high level overview of Budget and Actual Operating performance and Capital Work expenditure.

Financial Statements as at 28 February 2018

This section lists the three major financial statements:

- Income Statement
- Balance Sheet

- Cash Flow Statement

Major Variation Explanations

Material variation comments between year-to-date actual results and year-to-date budgeted results. Major variations are selected based on being greater than \$20,000 and 5 per cent between the actual result and year-to-date budget at a Cost Centre level.

Annual Year-to-Date Financial Analysis

This section analyses the implications of the year-to-date performance and the projected outcome for the financial year end.

Long Term Financial Plan analysis

This section benchmarks and strategically analyses the financial impact of the projected financial results for the year against the adopted Annual Budget, Long Term Financial Plan and the Long Term Financial Strategies key performance indicators.

RISKS

Transparency in reporting is a risk management control measure that allows the community and Council to view and assess the financial management of year to date results as well as the annual and longer term financial implications.

Council can not only assess year-to-date performance, but can also understand the annual and longer term financial implications.

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. Financial Performance Report July 2017 to February 2018 **[8.1.1]**

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au
Annual Budget Incorporating 15 Year Long Term Financial Plan and Annual Plan Initiatives

Legislative Provisions

Local Government Act 1989

Financial Performance Report

for the period July 2017
to February 2018



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Executive Summary

Actual results (Actual vs YTD)

Operating performance	Year to date Actuals \$'000	Year to date Budgets \$'000	Variance \$'000	
-----------------------	-----------------------------	-----------------------------	-----------------	--

Recurrent income	40,423	40,570	(148)	Unfav
Recurrent expenditure	38,709	41,811	(3,102)	Fav
Operating result	1,714	(1,241)	2,954	Fav

Capital Expenditure	Year to date Actuals \$'000	Year to date Budgets \$'000	Variance \$'000	
---------------------	-----------------------------	-----------------------------	-----------------	--

Expenditure	5,201	9,040	3,839	(Behind)
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Year to date operating result is a \$1.71M surplus which is \$2.95 million favourable compared with the year to date budget projection of \$1.24M deficit. Previous month Year to date operating result was a \$1.81M surplus which was \$4.63 million favourable compared with the year to date budget projection of \$2.82M deficit

The majority of the favourable recurrent expenditure is due a number of projects running behind YTD budgets and include in part:

- Long Jetty Restoration \$1,221,620
- Re-sheets Program \$434,207
- Leongatha Football Netball club – Court Development \$263,788
- Depreciation \$217,607
- Parks and Gardens \$204,217
- Garbage and Recycling Collections \$190,718
- Plant expenditure \$169,599
- Employee On-costs \$149,158
- HACC – Aged and Disability Services Management \$134,583
- Information Technology \$126,289

Capital spending Year to Date (YTD) is \$5.20M which is \$3.84M behind the year to date budget of \$9.04M. A full list of Capital projects with their Year to Date (Y.T.D.) details as at the 28th February is included in Appendix 1.

Projected results (Proposed Budget changes)

Operating performance	Original Budget \$'000	Current Budget \$'000	Projected Result \$'000	Note	Variation Projected to Current budget \$'000	
-----------------------	------------------------	-----------------------	-------------------------	------	--	--

Recurrent income	65,547	65,890	66,913	A	1,023	Increase
Recurrent expenditure	63,791	65,467	65,428	B	39	Decrease
Operating result	1,757	422	1,484		1,062	Fav

Capital Expenditure	Original Budget \$'000	Current Budget \$'000	Projected Result \$'000	Note	Variation Projected to Current budget \$'000	
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Expenditure	22,775	17,979	18,144	C	(165)	Increase
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Note A

Material changes to Recurrent Income are detailed below;

- Bena Kongwak Bridge \$650,000 – Income will be received from VicTrack before the end of the current financial year
- Walkerville North – Road and Retaining Wall protection \$221,367 – Anticipated financial contribution to project from Walkerville Foreshore Committee of Management.
- Grants \$60,000 – new hierarchy structure budget transferring to Major Projects and Emergency Management
- Environmental Health \$65,049 – Council Fees and Charges quantity updated.
- Environmental Services \$52,620 – solar feasibility project budget entered.

A full list of projected recurrent income changes are listed in Appendix 2.

Note B

Material changes to Recurrent expenditure are detailed below;

- Design Services \$190,270 reduction – labour reduced due to vacancies
- Landfill Operations \$75,000 increase – leachate management increase in 17/18 due to Leachate volumes higher than anticipated.

A full list of projected recurrent expenditure changes are listed in Appendix 3.

Note C

Material changes to Capital Expenditure are detailed below.

- Pools – Splash Hydro Therapy Pool and Gymnasium \$70,000 – Per Council discussion. Removing \$70,000 for Hydrotherapy and Gym in 17/18. Adding \$30,000 in 18/19 for Design work of the Seating in the Stadium.

- Civil – Korumburra Commercial Streetscape \$159,393 – \$20K kept this year for feature survey and preliminary design costs, the remaining \$159,393 to be carried forward to 2018/19
- Walkerville North – Road and Retaining Wall Protections \$283,216 – per council resolution expenditure increased to match funding from Walkerville Foreshore Committee and well as commit additional expenditure due to the Committee agreeing to contribute funds.

A full list of projected Capital changes for the YTD period July 2017 to February 2018 is listed in Appendix 1.

Financial Statements as at 28th Feb 2018

South Gippsland Shire Council						
INCOME STATEMENT						
For the Period Ending 28 February 2018						
	Y.T.D.	Y.T.D.	Y.T.D.	Original	Projected	Projected
	Actual	Budget	Variance	Budget	Budget	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME						
Rates and charges	27,390	27,370	20	40,995	41,165	170
Statutory fees and fines	549	555	(6)	618	798	180
User fees	2,609	2,514	95	4,183	4,231	48
Grants - Operating	6,488	7,685	(1,197)	8,228	12,478	4,250
Grants - Capital	1,763	1,300	463	8,669	5,292	(3,377)
Contributions - monetary	188	34	154	316	587	271
Contributions - non monetary	0	0	0	479	379	(100)
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	147	(27)	174	(329)	80	409
Other income	1,289	1,139	150	2,388	1,902	(486)
TOTAL INCOME	40,423	40,570	(147)	65,547	66,912	1,365
EXPENSES						
Employee costs	15,854	16,225	371	24,566	24,408	158
Materials and consumables	14,054	16,623	2,569	24,079	27,666	(3,587)
Bad and doubtful debts	0	0	0	1	1	0
Depreciation	6,461	6,523	62	11,883	9,955	1,928
Borrowing costs	72	71	(1)	142	142	0
Other expenses	2,268	2,369	101	3,120	3,256	(136)
TOTAL EXPENSES	38,709	41,811	3,102	63,791	65,428	(1,637)
SURPLUS / (DEFICIT)	1,714	(1,241)	2,955	1,756	1,484	(272)

South Gippsland Shire Council				
BALANCE SHEET				
For the Period Ending 28 February 2018				
	Y.T.D. Actual \$'000	Original Budget \$'000	Projected Budget \$'000	Projected Variance \$'000
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	35,705	7,739	13,525	5,786
Trade and other receivables	12,645	4,203	4,449	246
Other financial assets		6,896	6,626	(270)
Inventories	255	195	304	109
Other assets	0	227	42	(185)
	48,605	19,260	24,946	5,686
NON CURRENT ASSETS				
Investments in associates and joint ventures	1,123	991	1,122	131
Property, infrastructure, plant and equipment	528,644	566,700	563,393	(3,307)
Investment property	729	729	729	0
	530,496	568,420	565,244	(3,176)
TOTAL ASSETS	579,101	587,680	590,190	2,510
<u>LIABILITIES</u>				
CURRENT LIABILITIES				
Trade and other payables	5,698	2,978	4,012	1,034
Prepaid Income	16,141		0	0
Trust funds and deposits	487	873	899	26
Provisions	5,672	5,085	6,150	1,065
Interest bearing loans and borrowings	0	0	0	0
	27,998	8,936	11,061	2,125
NON CURRENT LIABILITIES				
Provisions		2,313	2,604	291
Interest bearing loans and borrowings	3,350	3,350	3,350	0
	3,350	5,663	5,954	291
TOTAL LIABILITIES	31,348	14,599	17,015	2,416
NET ASSETS	547,753	573,081	573,175	94
<u>REPRESENTED BY</u>				
Accumulated Surplus	214,905	213,329	213,424	95
Reserves	332,848	359,752	359,751	(1)
TOTAL EQUITY	547,753	573,081	573,175	94

South Gippsland Shire Council				
CASH FLOW STATEMENT				
For the Period Ending 28 February 2018				
	Y.T.D. Actual \$'000	Original Budget \$'000	Projected Budget \$'000	Projected Variance \$'000
<u>CASHFLOWS FROM OPERATING ACTIVITIES</u>				
Rates and charges	35,338	40,995	41,165	170
Statutory fees & fines	549	618	798	180
User fees	2,894	4,183	4,231	48
Grants - operating	6,488	8,228	12,478	4,250
Grants - capital	1,763	8,669	5,292	(3,377)
Contributions- monetary	188	316	587	271
Interest received	471	602	492	(110)
Other receipts	948	1,786	1,410	(376)
Employee costs	(16,317)	(24,586)	(24,307)	279
Materials and services	(15,685)	(24,079)	(27,667)	(3,588)
Other payments	(2,268)	(3,120)	(3,256)	(136)
Net cash provided by (used in) operating activities	14,369	13,612	11,223	(2,389)
<u>CASHFLOWS FROM INVESTING ACTIVITIES</u>				
Payments for property, infrastructure, plant & equipment	(5,201)	(22,775)	(18,144)	4,631
Proceeds from sale of property, infrastructure, plant and equipment	326	1,150	933	(217)
Payments for / from Other Financial Assets	16,581		9,955	9,955
Net cash provided by (used in) investing activities	11,707	(21,625)	(7,257)	14,368
<u>CASHFLOWS FROM FINANCING ACTIVITIES</u>				
Finance costs	(72)	(142)	(142)	0
Proceeds from borrowing	0	0	0	0
Repayment of borrowings	0	0	0	0
Net cash provided by (used in) financing activities	(72)	(142)	(142)	0
Net increase (decrease) in cash and cash equivalents	26,004	(8,155)	3,824	11,979
Cash and cash equivalents at the beginning of the financial year	9,701	15,894	9,701	(6,193)
Cash and cash equivalents at the end of the period	35,705	7,739	13,525	5,786

Major Variation Explanations

Major Variation comments – Income (Items > \$20,000 and 5% variation)

		Actual	Revised Budget	Variance \$	Variance %	Variance Comments
Department	Cost Centre	YTD	YTD	YTD	YTD	Month
Development Services Management	21710 - Yanakie Caravan Park	437,172	283,132	154,040	54%	Accommodation sales have exceeded original budget. Will put in a budget revision.

Major Variation comments – Expenditure (Items > \$20,000 and 5% variation)

		Actual	Revised Budget	Variance \$	Variance %	Variance Comments
Department	Cost Centre	YTD	YTD	YTD	YTD	Month
Development Services Management	21710 - Yanakie Caravan Park	424,706	338,288	-86,418	-26%	Contractors budget exceeded due to works required during the seasonal period and use of contractors to backfill vacant cleaning roles
Infrastructure Delivery	82260 - Civil - Foster Streetscape (Main and Station Street)	900,767	1,130,348	229,581	20%	Streetscape works complete. Laneway project delayed until April 2018.
Infrastructure Delivery	82280 - Federal Blackspot Program	161,332	513,346	352,014	69%	Works well underway but running behind original programme. Works still on track for completion per contract end date.
Infrastructure Delivery	85090 - Bridge - Powneys Road Bridge (WB370)	3,294	320,000	316,706	99%	Contract awarded and works set to commence on site during March 2018.
Infrastructure Delivery	65570 - Leongatha Football Netball Club - Court Development	6,212	270,000	263,788	98%	Works delayed due to water main and fireplug relocation works.
Infrastructure Planning	82200 - Roads - Hudsons Road, Korumburra South	303,440	751,000	447,560	60%	Works well underway but running behind original schedule.
Operations	82110 - Roads - Reseals	41,462	564,976	523,514	93%	Program underway, slightly behind schedule.
Operations	82120 - Roads - Reseal Preparation	661,237	1,315,388	654,151	50%	Program underway. Budget has been re-profiled
Operations	45130 - Resheets	1,177,227	1,611,435	434,207	27%	Program on schedule. Budget has been re-profiled

Annual Year To Date Financial Analysis

This section analyses the implications of the year to date performance and the projected outcome for the financial year.

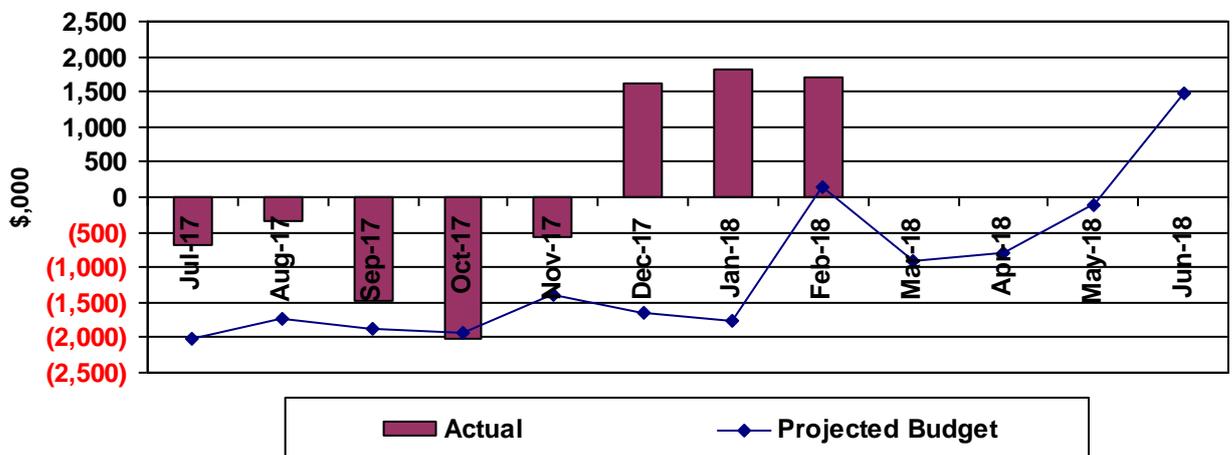
Operating Performance

Operating Budget \$ 0.56 million surplus for the period Jul-17 to Feb-18

Operating Result \$ 1.72 million surplus for the period Jul-17 to Feb-18

The operational result varies by \$1.56 million to the projected year to date budget. This variation is due to timing of actual costs to year to date budgets.

Operating Performance (\$'000)



Capital Performance

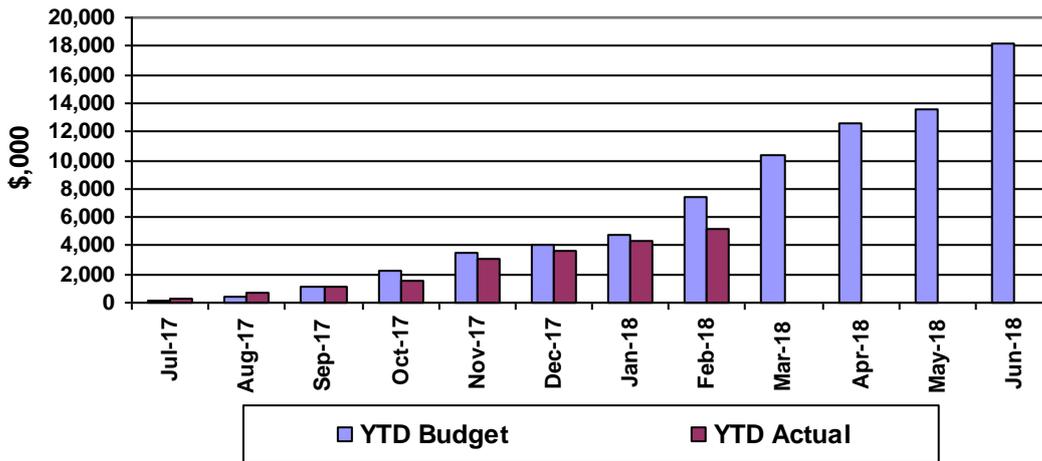
Capital Budget \$ 9.04 million for the period Jul-17 to Feb-18

Actual Expenditure \$ 5.20 million for the period Jul-17 to Feb-17

Capital Expenditure \$ 3.84 million behind year to date budgets

The Capital Works Program is running behind year to date budgets. For a full list of Capital projects, please refer to Appendix 1.

Capital Performance (\$'000)



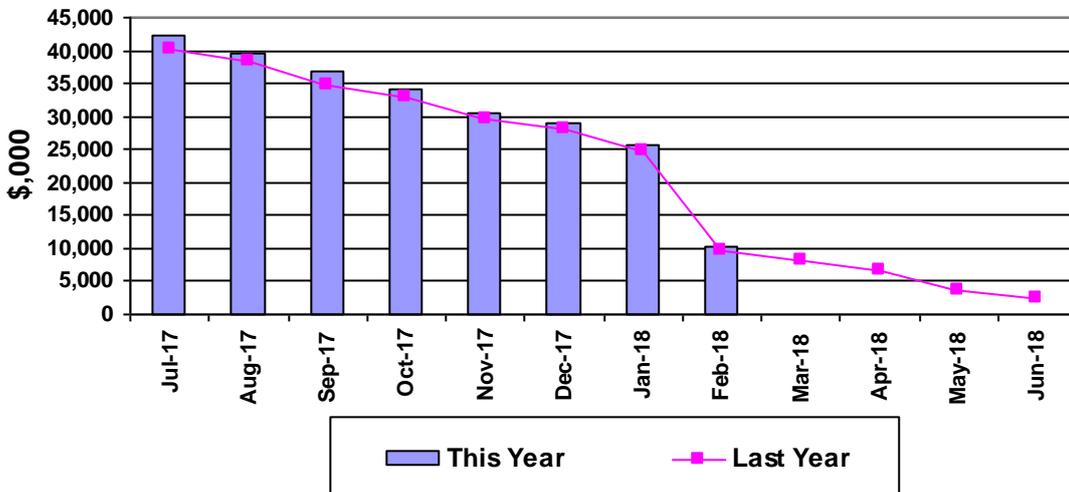
Rate Debtors

Outstanding 17/18 \$10.20 million as at Feb-18

Outstanding 16/17 \$ 9.77 million as at Feb-17

The outstanding rates as at 28 February 2018 has parity to last year.

Rate Debtors (\$,000)



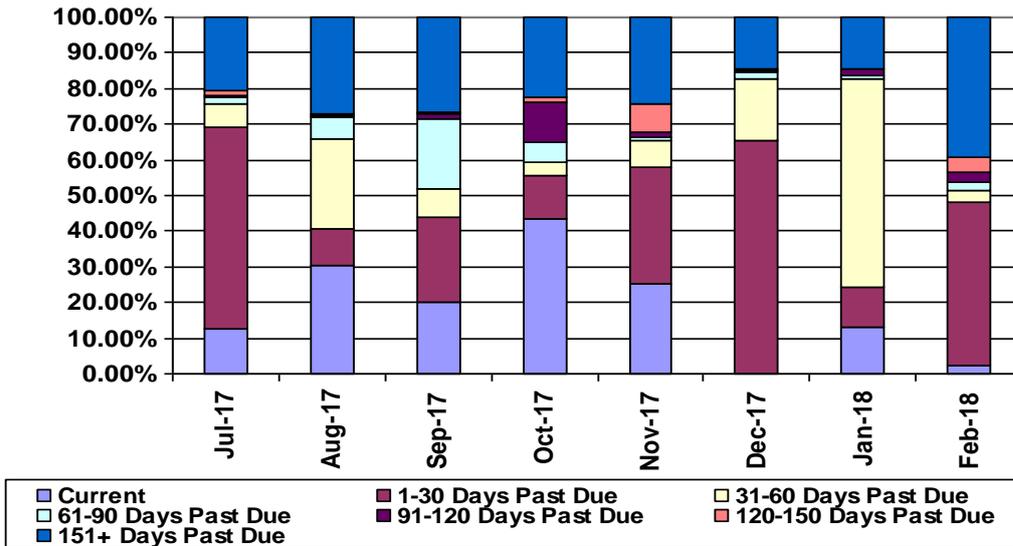
Other Sundry Debtors

Outstanding 17/18 \$ 0.67 Million as at Feb-18

Outstanding 16/17 \$ 1.42 Million as at Feb-17

The Current and 1-30 Days Past Due make up approximately 48% of total debtors outstanding. Caravan Park holders who have entered into payment arrangements make up a large proportion of the remaining outstanding.

Other Sundry Debtors



Long Term Financial Plan Analysis

This section benchmarks and strategically analyses the financial impact of the year's projected financial results against the adopted Annual Budget, Long Term Financial Plan and the Long Term Financial Strategies key performance indicators.

The Long Term Financial Plan analysis report compares the current 2017/18 Budget and Long Term Financial Plan forecasts to the original plan. The Annual Budget & Long Term Financial Plan was adopted for 2017/18 on 28 June 2017.

The lines in the following graphs are as follows:

- Original plan – Green line – Original 2017/18 Budget and Long Term Financial Plan
- Current Plan – Purple line - 2017/18 Draft Budget and Long Term Financial Plan

Operating Result (including gain / loss on asset disposals)

The projected operating results in the forward budget are showing a significant improvement to that adopted in the original 2017/18 budget.

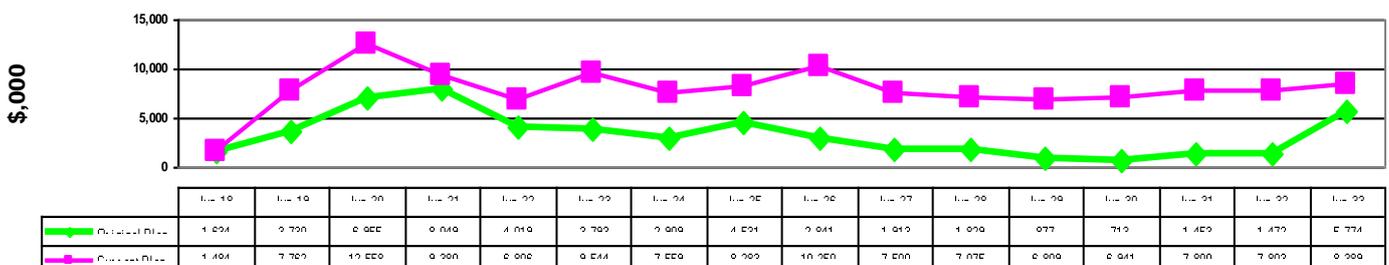
The main reason for the strengthened underlying result is due to a review of forward budget depreciation assumptions around asset valuations and the methodology employed, asset lives and depreciation rates. Following this review, forward depreciation estimates were significantly reduced which has resulted in the corresponding improvement in the operating result.

Depreciation is a non-cash expense which represents the reduction in the value of an asset over time, due in particular to wear and tear.

Even though depreciation is a non-cash expense, it is a material expense and is reported in the Operating statement each year accounting for approximately \$12M or 18% of our total operating expenditure.

The result of the review is reflected in the graph below with an improvement in operating results for each of the years in the long term plan.

Operating Result (\$,000)

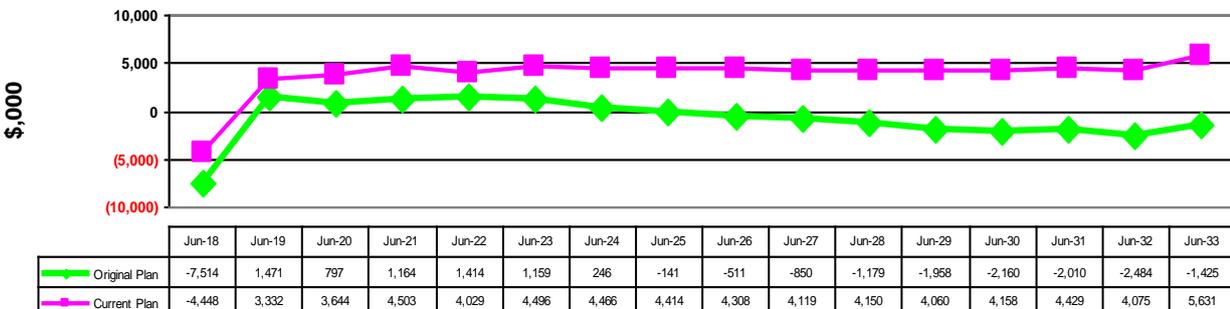


Operating Result before Capital Funding

The operating result before capital funding is sometimes referred to as the underlying financial result. Capital grants and contributions that artificially improve the operating result are removed to disclose the true underlying financial result.

The underlying result shows more clearly the income sources relative to the expenses for Council's recurrent operating activities. The current plan's underlying result projection has significantly improved as a result of the review of depreciation estimates in the forward plan. Consequently, the reduction of future depreciation estimates has had the effect of increasing the Operating result before capital funding.

Operating Result before Capital Funding (\$,000)



Capital Expenditure

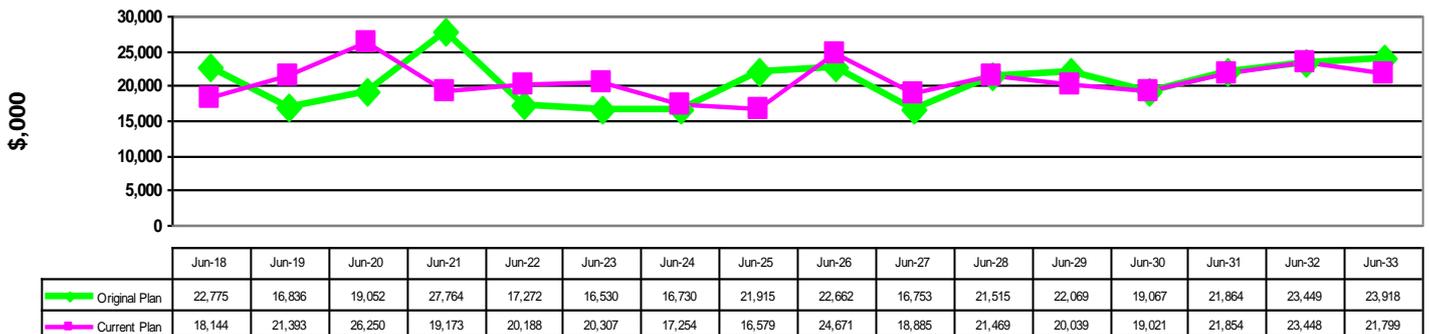
The current year's Capital expenditure is projected to be \$4.63M less than the Original plan. This is due in part to a number of projects originally planned for 17/18 now being carried forward to the 18/19 financial year. These have been listed below;

- Carry forward of funds for Bena Kongwak Bridge \$1,740,000
- Carry forward of funds for Bair Street Streetscape \$4,554,890
- Carry forward of funds for Baromi Park Masterplan & Associated Works \$180,000
- Carry forward of funds for Caravan Park Toilet Block – Port Welshpool \$376,419
- Carry forward of funds for Caravan Park Toilet Block – Waratah Bay \$142,694
- Carry forward of funds for Venus Bay Skate Park \$115,000
- Carry forward of funds for Venus Bay Environmental Projects \$110,000
- Carry forward of funds for Korumburra Recreation Centre \$75,000
- Carry forward of funds for Korumburra Recreation Reserve \$170,000
- Carry forward of funds for Leachate Waste Evaporation System \$351,556
- Carry forward of funds for Korumburra Commercial Streetscape \$159,393

A detailed list of all capital changes in 2017/18 is included in Appendix 1.

In the forward years of the plan there have been movements of projects between years as well as new projects being included and some projects being removed as part of the proposed draft budget preparation for 2018/19. Over the 15 years there is a gross \$303k increase in funding requirements for the capital works program when comparing the Original 2017/18 Plan to the current plan.

Capital Expenditure (\$,000)

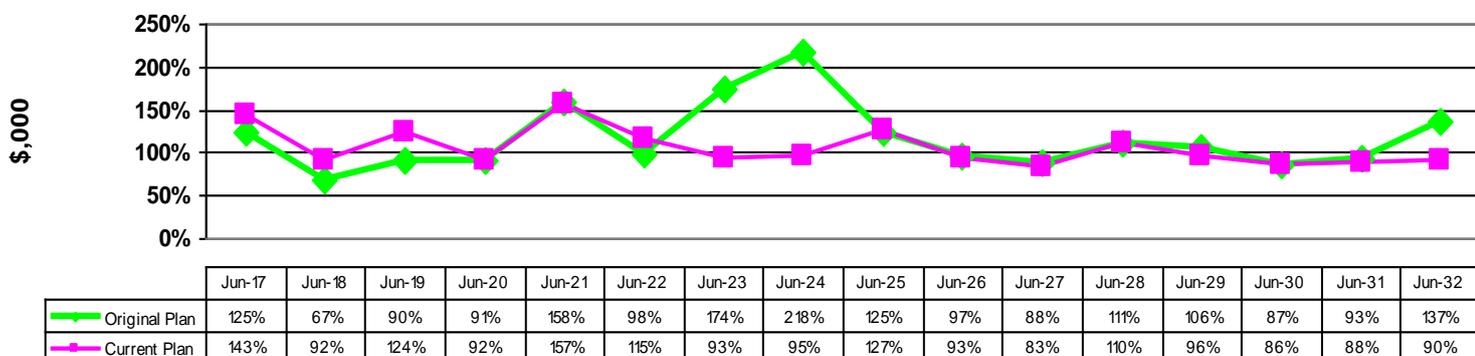


Sustainability Index for Capital Assets

The ‘Sustainability Indicator’ assesses asset renewal and upgrade expenditure spend effort over a period of time. The indicators across the plan have improved significantly when compared to the original budget due largely to the review of depreciation exercise mentioned earlier. As the forward plan depreciation estimates have decreased, the amount of renewal / upgrade expenditure as a proportion of this depreciation has increased.

As a result of the depreciation changes, the sustainability index is within Councils strategic range for each of the years of the Long Term Plan.

Sustainability Index

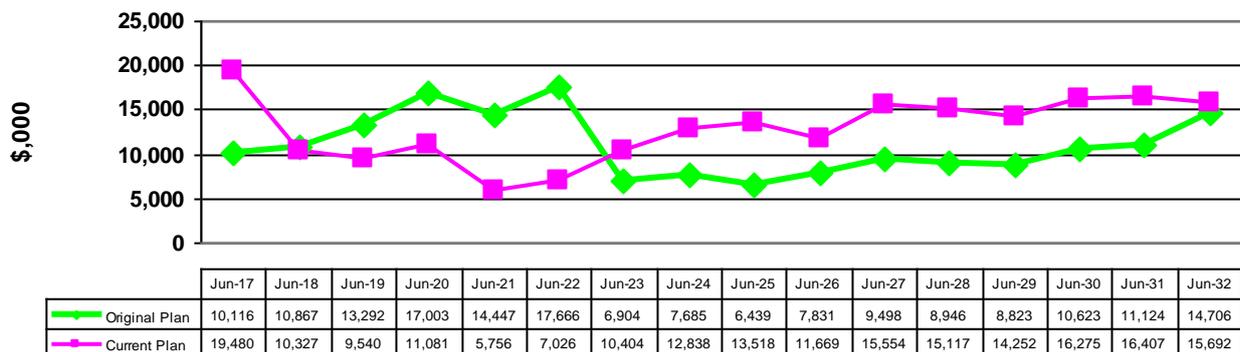


Underlying Liquidity

Underlying liquidity represents cash and investments at a point in time excluding internal reserves.

The current plan’s forecast underlying cash position is slightly stronger than that of the original plan. Due to the inherent volatility of debtors and creditors on the cash position at any point in time, the underlying cash is always assessed in conjunction with the underlying working capital ratio. Underlying cash has improved slightly over the course of the 15 years of the Long Term Financial Plan.

Underlying Liquidity (\$,000)

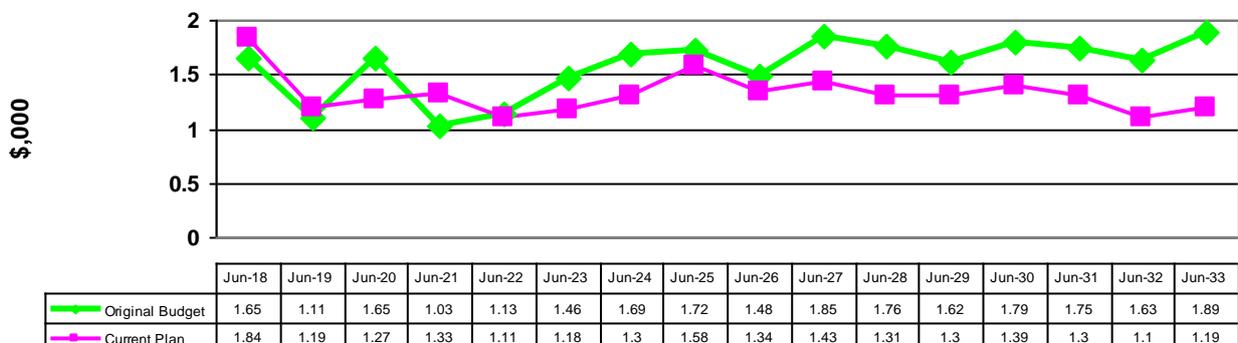


Underlying Working Capital Ratio

The underlying working capital ratio assesses the relationships between current assets and liabilities in the Balance Sheet after excluding cash backed reserves. It is a very important strategic financial indicator.

The underlying working capital ratio across the plan is comparatively weaker than the original plan from Year 2021-22 onwards. The change in the underlying working capital ratio relates to the 18/19 budget process that has been undertaken.

Underlying Working Capital Ratio



Conclusion

Long Term Financial Impact

Proposed Budget	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Financial performance																
Underlying result	-7.29%	5.30%	5.70%	6.96%	6.11%	6.63%	6.45%	6.20%	5.92%	5.51%	5.43%	5.17%	5.18%	5.37%	4.83%	6.52%
Underlying Working Capital	1.84	1.19	1.27	1.33	1.11	1.18	1.30	1.58	1.34	1.43	1.31	1.30	1.39	1.30	1.10	1.19
Funding capacity																
Self-financing	16.87%	26.39%	31.64%	28.88%	26.88%	29.15%	26.67%	27.14%	28.95%	26.48%	25.70%	25.19%	25.14%	25.54%	25.23%	26.90%
Sustainability Index	143%	184%	184%	155%	161%	139%	140%	132%	135%	122%	164%	146%	134%	137%	139%	137%
Borrowing capacity																
Indebtedness	12.36%	3.81%	3.86%	3.88%	3.92%	3.95%	3.99%	4.03%	4.06%	4.11%	4.14%	4.18%	4.22%	4.23%	4.24%	4.35%
Total Debt as a % of Rate revenue	8.14%	7.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt servicing costs as a % of Total revenue	0.21%	0.21%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current budget																
Financial performance																
Underlying result	-7.58%	6.02%	5.78%	7.02%	6.15%	6.72%	6.59%	6.42%	6.26%	6.08%	6.14%	5.93%	5.95%	6.19%	5.67%	23.39%
Underlying Working Capital	1.77	1.15	1.33	1.34	1.01	1.09	1.23	1.51	1.37	1.61	1.52	1.54	1.66	1.61	1.46	1.36
Funding capacity																
Self-financing	30.81%	30.78%	29.09%	30.63%	26.98%	29.28%	26.84%	27.34%	27.40%	26.76%	26.02%	25.54%	25.52%	25.96%	25.66%	26.34%
Sustainability Index	133%	148%	190%	157%	159%	137%	138%	130%	131%	122%	165%	147%	134%	138%	140%	151%
Borrowing capacity																
Indebtedness	12.37%	3.81%	3.86%	3.88%	3.91%	3.94%	3.98%	4.01%	4.05%	4.09%	4.12%	4.16%	4.19%	4.20%	4.21%	4.35%
Total Debt as a % of Rate revenue	8.14%	7.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt servicing costs as a % of Total revenue	0.22%	0.20%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2017/18 Original Budget																
Financial performance																
Underlying result	-13.32%	2.40%	1.25%	1.81%	2.14%	1.71%	0.36%	-0.20%	-0.70%	-1.13%	-1.54%	-2.48%	-2.68%	-2.42%	-2.93%	0.2%
Underlying Working Capital	1.65	1.11	1.65	1.03	1.13	1.46	1.69	1.72	1.48	1.85	1.76	1.62	1.79	1.75	1.63	2.26
Funding capacity																
Self-financing	20.92%	25.85%	28.95%	31.09%	26.94%	27.21%	26.60%	28.47%	26.99%	26.35%	26.33%	25.85%	25.80%	26.25%	26.04%	28.48%
Sustainability Index	92%	124%	92%	157%	115%	93%	95%	127%	93%	83%	110%	96%	86%	88%	90%	139%
Borrowing capacity																
Indebtedness	11.83%	3.24%	3.29%	3.33%	3.36%	3.41%	3.46%	3.50%	3.55%	3.60%	3.65%	3.70%	3.74%	3.76%	3.79%	13.12%
Total Debt as a % of Rate revenue	8.17%	7.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.63%
Debt servicing costs as a % of Total revenue	0.22%	0.22%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%

The Current budget graphic represents what has been provided to Council as part of the first draft budget. The Proposed Budget incorporates the minimal changes as detailed earlier

Ratios coloured green denote low risk, yellow medium risk and red indicates either short term / immediate sustainability concerns.

The 'Underlying Result' compares recurrent income and recurrent expenditure. The underlying result is forecast to be in the yellow zone in 2017/18 as a result of having to bring to account \$4.54m Victoria Grants Commission allocation for 2017/18 in the prior financial year (2016/17) because it was received in June 2017. The dipping of the ratio into the yellow zone does not present any strategic concern.

For the remainder of the forward plan, the underlying result trends in the green zone. This result has improved significantly from the 2017/18 Original Budget plan due to reclassifying asset valuation and depreciation methodology assumptions incorporated into a number of Council's major asset classes.

The 'Underlying Working Capital' assesses Balance Sheet strength and in particular Council's ability to pay existing liabilities. In the forward plan, the ratio marginally falls below the strategic target of 1.25 to 1 in 2018/19, 2020/21 and 2021/22 before strengthening again in the later years and then dipping again in 2031/32 and 2032/33 due primarily to a proposed significant road drainage scheme in 2031/32. Council has somewhat limited financial capacity to accommodate unforeseen strategic opportunities or unavoidable cost events that may arise in the immediate years.

The 'Self Financing' indicator compares net operating cash flows to underlying revenue and capital grants. It is forecast to be in the green zone in 2018/19 and all the forward budgets.

The 'Sustainability Indicator' assesses asset renewal and upgrade expenditure spend effort over a period of time. In the forward years it remains in the green. It is worth noting that there are no asset

renewal primary funding gaps for all major classes of assets over the 15 year Long Term Financial Plan. There are adequate funds for recurrent cost requirements for all major asset classes for the current defined service levels as documented in Asset Management Plans.

The three borrowing capacity indicators, 'Indebtedness', 'Total Debt as a percentage of Rate Revenue' and 'Debt Servicing Costs as a percentage of Total Revenue' are forecast to be in the green zone for 2018/19 and all the forward budgets. Due to the inherent strength of the Balance Sheet, Council has borrowing capacity in the forward years if it wishes to consider funding additional capital upgrade or extension projects.

The key financial performance indicators in the Long Term Financial Plan serve as very important lead indicators to identify future years' financial ramifications of decisions that are made in the present period.

The 2018/19 Proposed Budget / Long Term Financial Plan is financially sustainable. Council will continue to monitor the Long Term Financial Plan in line with the Long Term Financial Strategies on a month by month basis to ensure that it remains that way.

Overall, the Long Term Proposed Budget Financial Plan for 2018/19 is stronger than the previous year's 2017/18 Original plan.

The forward underlying result indicator is significantly stronger in the 2018/19 Proposed Budget when benchmarked against the 2017/18 Original Budget plan. This is due primarily to a change in the valuation of sealed road assets methodology and the resulting recalibration of infrastructure depreciation. The underlying working capital ratio is generally weaker across the Long Term Financial Plan and actually falls into the yellow zone in the 2031/32 and 2032/33 financial years. There are no concerns in relation to underlying working capital and Council will continue to monitor the strategic levels of this ratio over time as budgets are further refined.

When comparing capital expenditure outlays for the first four years of the current Long Term Financial Plan to the previous 2017/18 Original plan, Council has increased capital expenditure by \$6.1m. This pushes the ratio into caution territory for some of those years indicating that Council will have somewhat restricted financial capacity to accommodate unforeseen strategic opportunities or unavoidable cost events that may arise.

The sustainability Index indicator is significantly stronger in the current Proposed Budget plan compared to 2017/18 Original Budget plan and trends in the green zone for the entirety of the plan. This is due to a significant reduction in depreciation expense as a result of the change in sealed road assets valuation methodology mentioned earlier plus a refocus of the future capital program in favour of renewal expenditure over new asset expenditure.

The following financial indicators are used as measures for the 2018/19 Annual Budget:

- Indebtedness < 40%;
- Underlying working capital ratio >1.25%
- Self-financing >20%;
- Sustainability Index >95%; and
- Underlying result >0%.

Appendix 1 - Capital Expenditure YTD

	17/18							18/19
	YTD			Full Year				Full Year
	Actual	Revised Budget	Variance	Original Budget	Revised Budget	Budget Requests	Draft Revised Budget	Draft Revised Budget
93130 - Recreation - Baromi Park Masterplan & Associated Works	11,000	8,000	-3,000	300,000	120,000	0	120,000	180,000
80110 - IT Capital Works	235,570	1,138,694	903,124	1,595,073	1,845,616	0	1,845,616	810,197
98010 - Long Jetty Caravan Park Capital	16,300	6,368	-9,932	86,710	31,639	0	31,639	228,660
73510 - Buildings - Caravan Park Toilet Block - Port Welshpool	0	0	0	376,419	0	0	0	376,419
98020 - Yanakie Caravan Park Capital	8,565	9,051	486	107,699	33,317	0	33,317	267,250
73620 - Coal Creek - Capital Projects	0	0	0	0	23,603	0	23,603	0
82250 - Civil - Capital Works Design	133,623	127,748	-5,875	195,135	194,128	0	194,128	198,804
82170 - Roads - Anderson St Town Entrance - Leongatha	495,787	479,953	-15,834	500,000	479,953	-25,047	505,000	0
82190 - Roads - Gray St - Leongatha	249	0	-249	0	0	0	0	0
88060 - Footpaths - Couper Street, Mirboo North	4,670	84,687	80,017	100,000	100,000	0	100,000	0
93080 - Pools - Splash Hydro Therapy Pool and Gymnasium- Leongatha	0	45,000	45,000	65,000	70,000	70,000	0	30,000
82040 - Roads - Bair Street Streetscape - Leongatha	31,622	0	-31,622	4,610,000	75,000	0	75,000	0
82260 - Civil - Foster Streetscape (Main and Station Street)	900,767	1,130,348	229,581	700,000	1,130,348	0	1,130,348	0
82270 - Civil - Korumburra Commercial Streetscape	0	10,000	10,000	179,393	179,393	159,393	20,000	159,393
95010 - Waste - Koonwarra Landfill Cells 1, 2 and 3 Cap - (PROVISION)	1,886	61,200	59,314	61,200	61,200	0	61,200	777,852
95020 - Waste - Landfills	81,139	80,000	-1,139	0	80,000	0	80,000	0
95030 - Waste - Leachate Evaporation System	0	0	0	431,574	0	0	0	351,556
88050 - Footpaths - Renewal	172,150	265,778	93,628	319,130	295,493	0	295,493	308,232

	17/18							18/19
	YTD			Full Year				Full Year
	Actual	Revised Budget	Variance	Original Budget	Revised Budget	Budget Requests	Draft Revised Budget	Draft Revised Budget
88030 - Footpaths - Extension - Walkerville Road - Tarwin Lower	0	0	0	0	0	0	0	0
82280 - Federal Blackspot Program	161,332	513,346	352,014	0	513,346	0	513,346	0
82140 - Roads - North Poowong Road, Poowong	143	0	-143	25,426	25,426	0	25,426	0
73520 - Buildings - Child Care Hub - Korumburra	1,200	0	-1,200	0	0	0	0	0
73540 - Buildings - Public Toilet Renewal	0	0	0	0	0	0	0	0
88020 - Footpath Extension - Drouin Road	0	0	0	0	0	0	0	0
73550 - Buildings - Public Toilets - Sandy Point	0	0	0	0	0	0	0	0
97020 - Car Park - Foster	0	0	0	0	0	0	0	0
88010 - Footpath Extension - Alison Street - Leongatha	0	0	0	0	0	0	0	0
97010 - Car Park - Cemetery Car Park - Korumburra	0	0	0	0	0	0	0	0
91010 - Drainage - Rehabilitation Program	13,443	76,108	62,665	133,644	136,930	0	136,930	231,998
82240 - Guard Rails - Replacement Program	43,578	110,691	67,113	173,907	133,907	0	133,907	113,455
82060 - Roads - Princes Street - Korumburra	0	0	0	0	0	0	0	0
73630 - Buildings - Community Hub - Korumburra	0	0	0	0	0	0	0	364,000
82300 - Roads - Jumbunna Rd, Bena Rd, Princess St and George St - Korumburra	0	0	0	0	0	0	0	0
73650 - Buildings - Kindergarten - Nyora	0	0	0	0	0	0	0	0
82320 - Roads - Roads/Drainage (Special Charge Scheme 33.33%) - Nyora	0	0	0	0	0	0	0	0
82350 - Civil - Loch Main Street Renewal (Stage-1)	0	0	0	0	0	0	0	710,582
73680 - Buildings - Municipal Precinct	0	0	0	0	0	0	0	0
99010 - Sun Shelter - Tarwin Lower to Venus Bay Walking Track	0	0	0	19,364	19,364	0	19,364	0
82310 - Roads - Sth Gipps Hwy and Radovick St - Korumburra	0	0	0	0	0	0	0	0

	17/18							18/19
	YTD			Full Year				Full Year
	Actual	Revised Budget	Variance	Original Budget	Revised Budget	Budget Requests	Draft Revised Budget	Draft Revised Budget
93110 - Fish Creek School Crossing Construction	150,597	113,550	-37,047	110,000	113,550	-30,000	143,550	0
93120 - Great Southern Rail Trail	13,135	0	-13,135	120,000	120,000	0	120,000	1,000,000
85060 - Bridge - Ruby Arawata Road (WB330)	0	0	0	0	0	0	0	470,000
85090 - Bridge - Powneys Road Bridge (WB370)	3,294	320,000	316,706	320,000	317,696	0	317,696	0
82400 - Tompkins Road, Meeniyana (Black Spur Remaining Funds)	349,329	400,212	50,883	0	400,212	0	400,212	0
88090 - Footpath Extension - Jumbunna Road, Korumburra	796	0	-796	0	0	0	0	922,500
82230 - Grand Ridge Road, Leongatha	22,366	22,400	34	0	40,000	0	40,000	0
85010 - Bena Kongwak Bridge	7,122	5,200	-1,922	2,100,000	360,000	0	360,000	1,740,000
88040 - Footpaths - Extension Program	130,728	184,097	53,369	221,450	221,450	0	221,450	184,500
82210 - Roads - Sealed Rehabilitation Program	392,751	468,509	75,757	1,137,348	2,146,631	0	2,146,631	1,307,819
93010 - Recreation - Community Infrastructure Projects	1,316	0	-1,316	0	0	0	0	31,084
93140 - Recreation - Venus Bay Skate Park	226	0	-226	125,000	10,000	0	10,000	115,000
93180 - Recreation - Korumburra Skate Park	0	0	0	50,000	0	0	0	250,000
93190 - Fish Creek Netball Courts	4,087	0	-4,087	0	260,000	0	260,000	0
73700 - RSL / Carinos Land and Library Hub Investigation	5,617	0	-5,617	25,000	0	0	0	0
73580 - Buildings - Renewal Program	52,463	30,000	-22,463	640,899	670,899	0	670,899	194,704
93070 - Pools - Renewal Program	172,975	173,383	408	529,118	552,501	0	552,501	42,029
73670 - Buildings - Caravan Park Toilet Block - Waratah Bay	0	0	0	142,694	0	0	0	435,216
99020 - Pools - Refurbishment Design - Mirboo North	36,996	130,935	93,939	180,000	190,935	0	190,935	3,800,000
93160 - Recreation - Korumburra Recreation Centre	12,582	0	-12,582	175,000	100,000	0	100,000	75,000
93170 - Recreation - Korumburra Recreation Reserve	0	0	0	175,000	5,000	0	5,000	170,000
73530 - Buildings - Early Years Renewal Program	0	0	0	0	0	0	0	308,200

	17/18							18/19
	YTD			Full Year				Full Year
	Actual	Revised Budget	Variance	Original Budget	Revised Budget	Budget Requests	Draft Revised Budget	Draft Revised Budget
82390 - Capital Labour, Plant and Materials Line Item Reallocation (Operations)	0	1	1	0	0	0	0	0
82050 - Roads - Station Street - Korumburra	19,527	0	-19,527	0	0	-19,527	19,527	0
82110 - Roads - Reseals	41,462	564,976	523,514	1,872,944	1,400,000	0	1,400,000	1,921,573
82120 - Roads - Reseal Preparation	661,237	1,315,388	654,151	829,348	1,823,708	0	1,823,708	850,512
82220 - Roads - South Road, Poowong	60,875	50,000	-10,875	0	135,000	0	135,000	0
82340 - Roads - Relocated Simons Lane Sealing - Leongatha	0	0	0	0	0	0	0	0
82370 - Walkerville North - Road and Retaining Wall Protection	0	1,500	1,500	130,650	130,650	-283,216	413,866	0
88070 - Footpaths - McCartin Street (Begg to Worthy Sts) - Leongatha	0	0	0	0	0	0	0	0
88080 - Footpaths - Pioneer Street (Ch 107 to 402) - Foster	-968	0	968	0	0	0	0	0
85040 - Bridge - Rehabilitation Program	34,672	0	-34,672	104,040	104,040	0	104,040	0
85050 - Major Culvert - Renewal Program	24,300	91,941	67,641	124,328	124,457	0	124,457	72,250
93020 - Recreation - Kindergartens Playground Replacement Program	0	12,396	12,396	18,598	18,598	0	18,598	20,015
93060 - Playgrounds - Replacement Program	-945	50,998	51,943	113,425	76,500	-36,925	113,425	204,405
79120 - Plant - Plant Purchases	221,457	75,230	-146,227	1,220,919	1,197,260	0	1,197,260	1,282,738
79110 - Fleet - Fleet Purchases	159,210	128,028	-31,182	1,036,586	836,000	0	836,000	740,050
82200 - Roads - Hudsons Road, Korumburra South	303,440	751,000	447,560	1,150,000	1,039,346	0	1,039,346	0
71120 - General Land Purchases	7,388	3,294	-4,094	0	3,294	0	3,294	0
82180 - Roads - Deviation of Koonwarra-Pound Creek Road - Leongatha	0	0	0	17,761	17,761	0	17,761	0
95060 - Waste - Landfill Cover	0	0	0	0	0	0	0	37,880

	17/18							18/19
	YTD			Full Year				Full Year
	Actual	Revised Budget	Variance	Original Budget	Revised Budget	Budget Requests	Draft Revised Budget	Draft Revised Budget
93150 - Recreation - Venus Bay Environmental Projects	0	0	0	125,000	15,000	0	15,000	110,000
Total	5,201,059	9,040,008	3,838,950	22,774,782	17,979,151	-165,322	18,144,473	21,393,873

Appendix 2 – Operating Income Budget Requests

	17/18							18/19
	YTD			Full Year				Full Year
	Actual	Revised Budget	Variance	Original Budget	Revised Budget	Budget Requests	Draft Revised Budget	Draft Revised Budget
47410 - Arts and Culture	21,067	14,255	6,813	19,005	19,005	10,000	29,005	5,005
13110 - Grants	-	60,000	60,000	87,006	60,000	60,000	-	-
14220 - Treasury	2,539,171	2,485,464	53,707	4,083,565	4,252,338	60,000	4,312,338	7,039,603
15620 - Council Business Operations	35,405	23,046	12,359	14,981	23,046	-	14,981	-
23210 - Planning Management	13,282	-	13,282	-	-	33,615	33,615	25,000
23910 - Environmental Health	286,595	335,795	49,200	374,982	379,070	65,049	314,021	271,849
24310 - Local Laws	182,241	178,847	3,394	604,212	604,212	10,020	614,232	616,143
43630 - Recreation - South Gippsland Rural Cricket Facilities	10,000	-	10,000	-	-	10,000	10,000	-
85010 - Bena Kongwak Bridge	-	-	-	1,450,000	-	650,000	650,000	1,000,000
41950 - Major Projects and Emergency Management	60,000	-	60,000	-	-	60,000	60,000	60,000
82370 - Walkerville North - Road and Retaining Wall Protection	100,000	-	100,000	-	-	221,367	221,367	-
48710 - Environmental Services	-	-	-	-	-	52,620	52,620	10,000
49010 - Landfills Operations	1,187,467	1,144,970	42,497	1,860,591	1,940,642	40,104	1,980,746	1,979,477
41510 - Assets	38,243	40,954	2,711	161,133	61,133	8,633	69,766	62,404
Total	4,473,470	4,283,331	190,139	8,655,475	7,339,445	1,023,245	8,362,689	11,069,480

Appendix 3 – Operating Expenditure Budget Requests

	17/18							18/19
	YTD			Full_Year				Full Year
	Actual	Revised Budget	Variance	Original Budget	Revised Budget	Budget Requests	Draft Revised Budget	Draft Revised Budget
47410 - Arts and Culture	79,374	64,157	(15,218)	147,933	155,490	(10,000)	165,490	133,338
13110 - Grants	270,789	291,966	21,177	562,738	439,601	18,101	421,500	307,038
14240 - Non Cash Operating Items	5,887,394	6,105,001	217,607	12,508,487	9,892,150	34,824	9,857,326	10,867,641
14930 - Risk and Insurances	654,488	692,689	38,201	734,792	781,850	14,000	767,850	797,334
14940 - Legal and Contracts	109,350	121,251	11,900	130,235	165,612	8,000	157,612	172,959
14950 - Corporate Overheads Costs	10,858	20,630	9,772	30,945	30,945	8,945	22,000	31,445
15620 - Council Business Operations	116,455	151,727	35,272	278,427	260,416	30,000	230,416	265,199
23210 - Planning Management	130,771	140,015	9,244	201,911	211,792	(35,280)	247,072	228,880
24310 - Local Laws	456,635	495,374	38,739	757,422	748,975	(31,662)	780,637	758,620
24510 - Municipal Building	259,375	187,979	(71,396)	405,576	287,918	(45,000)	332,918	285,969
42210 - Design Services	271,639	371,174	99,535	534,818	581,625	190,270	391,355	617,849
42220 - Service Management - Minor Works	52,041	39,549	12,492	39,549	39,549	20,000	59,549	40,340
43680 - Poowong Cenotaph Relocation Project	36,257	-	36,257	36,000	36,000	9,000	45,000	-
41950 - Major Projects and Emergency Management	132,347	120,513	11,834	-	184,669	18,101	202,770	205,663
48710 - Environmental Services	328,770	344,892	16,122	598,595	558,112	17,620	575,732	671,999
49010 - Landfills Operations	997,811	918,365	79,446	1,261,831	1,502,477	75,000	1,577,477	1,361,799
49210 - Sustainability Services	157,187	174,082	16,895	218,875	228,618	5,000	223,618	123,608
41510 - Assets	350,081	333,136	(16,945)	796,858	624,783	(8,637)	633,420	484,142
Total	10,301,623	10,572,500	270,877	19,244,944	16,730,581	38,840	16,691,742	17,353,822

8.2. ASSEMBLY OF COUNCILLORS 22 JANUARY 2018 TO 21 FEBRUARY 2018

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

As part of Council's ongoing efforts to enhance community engagement in Council processes, matters discussed at Councillor Briefing Sessions (other than those matters designated to be of a confidential nature) are reported at Ordinary Council Meetings.

The matters listed in this report were presented or considered, at either an Advisory Committee Meeting, Councillor Strategic Briefing Session or Public Presentation Session between 22 January and 21 February 2018.

RECOMMENDATION

That Council receives and notes this report.

REPORT

Meeting Title	Details
Wednesday 24 January 2018	
Rating Strategy Steering Committee (Advisory Committee)	<p>Councillors Attending: Councillors Hill, Kiel and Skinner.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: The Committee considered presentations from individual Committee members.</p>
Wednesday 1 February 2018	
Rating Strategy Steering Committee (Advisory Committee)	<p>Councillors Attending: Councillors Hill and Kiel.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: The Committee considered presentations from individual Committee members.</p>
Monday 5 February 2018	
South Gippsland Shire Council Audit Committee	<p>Councillors Attending: Councillors Brunt, Argento and Hill.</p> <p>Conflict of Interest: Nil disclosed by Councillors.</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Report of Audit Committee Meeting held on 4 December 2017. • Financial Performance Report • Draft Budget 2018/19 • Performance Report (non-financial) • Local Government Performance Reporting Report • Quarterly Report from Director of Infrastructure • Internal Audit Report • Letters to Councillors: Councillor Expenditure and Code of Conduct Audit • Statutory Planning, Building, Planning and Local Laws Compliance and Enforcement Audit Report • Procurement Review • Draft Payroll and HR Audit Scope • Three Year Internal Audit Plan • Proposed External Audit Scope/ Strategy 2018/19 • Compliance Report: Local s.186 Tender Thresholds • Local Government Act Review – Exposure Draft Bill Report • Regulatory Inquiry Gap Analysis Report

	<ul style="list-style-type: none"> • Audit Committee Reports to Council • Appointment of Audit Chair – recommendation to Council • Independent Committee membership • Audit Committee Charter
Meeting Title	Details
Wednesday 7 February 2018	
Executive Update	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Edwards and Kiel.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Kerbside recycling and recent changes in this sector and their impact on Council. • Legal proceedings with respect of Bald Hills Wind Farm • Minister Pallas visit to Hanson Quarry, McDonalds Track Nyora • Birraleee Korumburra land use consideration • South East Australian Transport Strategy (SEATS) hosted by South Gippsland and Bass Coast Shire. • Rating Strategy Steering Committee
Local Government Act Review – Exposure Bill	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Edwards and Kiel.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered the Local Government Act Review – Exposure Bill and a submission in support of the draft Bill.</p>
Draft Digital strategy – Progress Update	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Edwards and Kiel.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered the current progress to the Draft Digital Strategy prior to its adoption by Council at a future Council Meeting.</p>

Meeting Title	Details
Wednesday 7 February 2018	
Population Growth and Land Supply Study	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Edwards, Kiel and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered the proposed scope and progress of the Population Growth and Land Supply Study utilising census data, aerial photographs and rates building data presented in interactive maps, tables and graphs.</p>
Planning Briefing	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Edwards, Kiel and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered an update on planning matters of community interest, including:</p> <ul style="list-style-type: none"> • Strategic Planning Project List • Planning Applications of Interest • Decisions for October, November and December 2017 • VCAT Decisions
Caravan and Camping Parks Steering Committee	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Edwards, Kiel and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered the current progress of the Steering Committee.</p>
Transport for Victoria – Regional Roads Strategy	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Edwards, Kiel and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors were presented with the Tourism Victoria touring routes map prepared by Transport for Victoria.</p>

Meeting Title	Details
Wednesday 7 February 2018	
1st Draft Budget 2018/19 including Annual Initiatives and Capital Works	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Edwards, Kiel and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered an overview of the 1st Draft 2018/19 Budget and Long Term Financial Plan.</p>
Rating Strategy Steering Committee (Advisory Committee)	<p>Councillors Attending Councillors Hill, Kiel and Skinner.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: The Committee considered presentations from individual Committee members.</p>
Friday 9 February 2018	
West Gippsland Regional Library Corporation – Old Kinder Site	<p>Councillors Attending Councillor Skinner.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Potential relocation of the Korumburra Library
Wednesday 14 February 2018	
Strategic Discussions	<p>Councillors Attending: Councillors Hill, Argento, McEwen, Brunt, Skinner, Edwards, Kiel and Rich.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Councillors Raised For Consideration:</p> <ul style="list-style-type: none"> • Co-working space presentation. • Notice of Motion on Venus Bay Strategic Structure Plan. • Councillor’s code of conduct. • Freedom of Information processes. • Community grants policy in the Shire. • Councillors considered the current progress of the Aged and Disability Services Review.
2nd Draft Budget 2018/19 including Annual Initiatives and Capital Works	<p>Councillors Attending: Councillors Hill, Argento, McEwen, Brunt, Skinner, Edwards, Kiel and Rich.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered the 2nd Draft 2018/19 Budget including Annual Initiatives and Capital Works.</p>

Meeting Title	Details
Wednesday 21 February 2018	
Draft Foster Pool Master Plan	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown and Kiel.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered the draft 2018 Foster Pool Master Plan and future community engagement prior to adoption.</p>
<p>VicRoads Update: South Gippsland Highway realignment at Koonwarra (Black Spur Section)</p> <p>Open Session</p>	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards and Rich.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered an update from VicRoads regarding the status of the Black Spur realignment project at Koonwarra.</p>
<p>VicRoads Update: Bass Highway Improvements between Anderson and Leongatha</p> <p>Open Session</p>	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards and Rich.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered a briefing from VicRoads related to the study being undertaken into potential road improvements between Anderson and Leongatha on the Bass Highway.</p>
<p>Draft Rating Strategy 2018-2022: Steering Committee (Advisory Committee)</p>	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered presentations made from members of the Rating Strategy Steering Committee; Frances O'Brien the Committee Chair and members David Lewis, Meg Knight and Ralph Gallagher.</p> <p>Frances O'Brien provided an overview of the outcomes and shortcomings of the Committee. Members David Lewis, Meg Knight and Ralph Gallagher provided Council with diverse views for their consideration of the Rating Strategy 2018-2022.</p>

Meeting Title	Details
Wednesday 21 February 2018	
Draft Rating Strategy 2018/2022 – Steering Committee - Discussions	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors further considered the proposals made from the Rating Strategy 2018-2022 – Steering Committee Advisory Committee.</p>
Public Presentations Open Session	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil Disclosed.</p>
<p>A Presentation was made to Council by the following community members: Drew Liepa and Dylan Muir representing South Gippsland Bass Swimming Club and Tim Frampton representing Swimming Victoria regarding a request to Council regarding lane hire fees at Splash, Leongatha Swimming Pool.</p>	
Executive Update Discussions	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Formal s.223 Budget Submission to Council • CEO Key Performance Indicators • Bald Hills Wind Farm
Final Draft Annual Plan and Revised Council Plan	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered the final draft Annual Plan and revised Council Plan 2017-2021 taking into consideration community engagement activities undertaken in February 2018.</p>

Meeting Title	Details
Wednesday 21 February 2018	
Draft Rating Strategy 2018/2022 – Steering	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p>

<p>Committee - Discussions</p>	<p>Matters Considered: Councillors further considered the proposals made from the Rating Strategy 2018-2022 – Steering Committee Advisory Committee.</p>
<p>Councillor Expenditure and Support Policy and Councillor Vehicle Usage</p>	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered the revised Councillor Support and Expenditure Policy (C51), Councillor Vehicle Policy (CE04) and new Bring your Own Mobile Phone Device Policy (CE74).</p>
<p>Economic Development and Tourism Steering Briefing</p>	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil disclosed.</p> <p>Matters Considered: Councillors considered a presentation from Regional Development Victoria (RDV) which is the Victorian Government’s lead agency in developing rural and regional Victoria and administers a number of programs designed to increase employment and create more prosperous communities. Councillors also provided information on South Gippsland’s most recent economic and employment data.</p>

Meeting Title	Details
Wednesday 21 February 2018	
Public Presentations Open Session	<p>Councillors Attending: Councillors McEwen, Skinner, Argento, Brunt, Brown, Kiel, Edwards, Rich and Hill.</p> <p>Conflict of Interest: Nil Disclosed.</p>
<p>A Presentation was made to Council by the following community members: Rachel Brown, part owner Toora Tourist Park addressed Council regarding concerns that she has for free camping at Franklin River Reserve. Tom Holman, President of the Foster Community Association and Robert Pritchard, member of the Foster Community Association regarding Information relating to events in Foster – the ‘Unspoken’ forum and Foster Township 150th celebrations.</p>	

REFERENCE DOCUMENTS

Legislative Provisions

Local Government Act 1989

8.3. DOCUMENT SEALED AWARDED OR EXTENDED BY CEO 20 JANUARY TO 23 FEBRUARY 2018

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

This document reports to Council the following actions undertaken by the Chief Executive Officer (CEO) which occurred during the period from 20 January to 23 February 2018, as required by the Council's Instrument of Delegation to the Chief Executive Officer and Procurement Policy:

- Documents sealed;
- Contracts awarded after a public tender process within the CEO's delegation and;
- Contracts varied or extended by the CEO which exceeded the CEO's delegation.

RECOMMENDATION

That Council receive and note this report.

REPORT

Documents Sealed

Under the Local Government Act 1989 (the Act), each Council is a body corporate and a legal entity in its own right. Each Council must have a common seal that is an official sanction of that Council.

Sealing a document makes it an official document of Council as a corporate body. Documents that require sealing may include agreements, contracts, leases or any other contractual or legally binding document that binds Council to another party.

Local law No. 3 2010, Part 9, Section 107 (f) (iv) – the Common Seal of Council, states that 'If the Chief Executive uses the Common Seal in a manner prescribed by sub-clause (c) then he/she must advise Council of such use on a regular basis.' Council's Instrument of Delegation to the CEO also delegates to the CEO the power to 'use the Common Seal of Council subject to that use being reported to Council'.

In accordance with the Local Law and Instrument of Delegation, the following are presented to Council as documents sealed during the period from 20 January to 23 February 2018:

1. Section 173 Agreement between South Gippsland Shire Council and the owner of 32 Ash Avenue, Sandy Point in relation to develop land with dwelling and remove native vegetation – Seal Applied 6 February 2018.

2. Section 173 Agreement between South Gippsland Shire Council and the owner of 36 Crichton Crescent, Venus Bay in relation to develop land with single dwelling – Seal Applied 6 February 2018.
3. Section 173 Agreement between South Gippsland Shire Council and the owner of 95 Mirboo North-Trafalgar Road, Delburn in relation to Subdivision of the land into two lots, the creation of a carriageway easement and to alter access to a road in a Road Zone, Category 1 – Seal Applied 21 February 2018.
4. Section 173 Agreement between South Gippsland Shire Council and the owner of 28-30 Atherton Drive, Venus Bay in relation to Construction of an outbuilding ancillary to a dwelling – Seal Applied 21 February 2018.

South Gippsland Shire Council Instrument of Delegation to Special Committees approved by the CEO

1. Allambee South Community Centre Special Committee – Seal Applied 8 February 2018.
2. Dumbalk Hall Special Committee – Seal Applied 8 February 2018.
3. Foster Showgrounds Special Committee – Seal Applied 8 February 2018.
4. Foster War Memorial Arts Cents and Senior Citizens Special Committee – Seal Applied 8 February 2018.
5. John Terrill Memorial and Fish Creek Recreation Reserve (Buckley Park) Special Committee – Seal Applied 8 February 2018.
6. Korumburra Public Park Special Committee – Seal Applied 8 February 2018.
7. Korumburra Recreation Reserve Special Committee – Seal Applied 8 February 2018.
8. Leongatha Courthouse Special Committee – Seal Applied 8 February 2018.
9. Mardan Hall Special Committee – Seal Applied 8 February 2018.
10. Meeniyan and District Sports Stadium Special Committee – Seal Applied 8 February 2018.
11. Mirboo North Hall Special Committee – Seal Applied 8 February 2018.
12. Port Welshpool and District Maritime Museum Special Committee – Seal Applied – 8 February 2018.
13. Sandy Point Community Centre and TP Taylor Reserve Special Committee – Seal Applied 8 February 2018.

14. Stockyard Gallery Special Committee – Seal Applied 8 February 2018.
15. Walter Tuck Recreation Reserve Special Committee – Seal Applied 8 February 2018.

Contracts awarded after a public tender process within the CEO's delegation

The CEO's delegation from Council allows the CEO to award contracts up to the value of \$250,000 (inclusive of GST), with the exception of Annual WorkCover and Council insurance premiums.

Council's Procurement Policy requires recording in the Council Minutes all contracts over the statutory threshold set out in the Act (\$150,000 inclusive of GST for goods and services and \$200,000 inclusive of GST for works) for a public tender which shows the contracts purpose, the successful tenderer, contract length and the total contract price.

Further, Council's Procurement Policy requires 'that Council will not disclose information about procurements below the statutory thresholds, however, to ensure compliance with Council's Procurement Policy, it will be noted in this report that a contract awarded below the statutory threshold has been entered into following a public tender.

The following contracts were awarded during the period 20 January 2018 to 23 February 2018 under the CEO's financial delegation of \$250,000 (inclusive of GST) following a public tender that were not specified in the 28 June 2017 resolution (refer to the paragraph below).

1. Nil

Council resolved on 28 June 2017 to delegate to the CEO the power to award contracts specified in the resolution, subject to the preferred tenders being within budget and that Council receive a report detailing the contracts awarded. The following contracts were awarded during the period 20 January to 23 February 2018 that were specified in the 28 June 2017 resolution and that were within budget:

1. Contract CON/164 Refurbishment of the Public Hall Toilet Amenities Mirboo North awarded to Considine & Johnston Pty Ltd for the amount of \$224,767.54 (excluding GST) on 22 January 2018;

Contracts awarded after a public tender process under the Statutory threshold by Staff other than the CEO

The CEO has, within his Instrument of sub-delegation by the CEO to Staff delegated the power to enter into contracts (inclusive of GST), to specific staff as outlined within Council's Procurement Manual.

Further, Council's Procurement Policy requires 'that Council will not disclose information about procurements below the statutory thresholds, however, to

ensure compliance with Council's Procurement Policy, it will be noted in this report that a contract awarded below the statutory threshold has been entered into following a public tender.

1. Nil

Contract variations approved by the CEO

Council's Procurement Policy authorises the CEO to approve any necessary variations to a contract which exceeds the CEO's delegation, to allow the proper fulfilment of the contract and to ensure delays to key projects are avoided, following consultation with the Mayor and subject to this variation being reported to the next practicable Council Meeting.

The following variations to a contract which exceeds the CEO's delegation, approved by the CEO during the period 20 January to 23 February 2018:

1. Nil

Contract extensions approved by the CEO

Council's Procurement Policy authorises the CEO to enter into any contract extensions subject to the satisfactory performance of the contractor and the extension being reported to Council for any contracts which in total exceeds the CEO's delegation.

The following contract extensions approved by the CEO during the period 20 January to 23 February 2018:

1. Nil

CONSULTATION

Nil

RESOURCES

Nil

RISKS

Nil

STAFF DISCLOSURE

Nil

ATTACHMENTS

Nil

REFERENCE DOCUMENTS

Council Policy

Local Law No. 3 2010, Processes of Municipal Government (Meeting
Procedures and Common Seal)
Procurement Policy, 28 June 2017
Instrument of Delegation to the Chief Executive Officer, 22 February 2017

Legislative Provisions

Local Government Act 1989 (the Act), ss.5 and 186

9. COUNCILLOR REPORTS

9.1. REQUESTS FOR LEAVE OF ABSENCE

9.2. COUNCILLOR UPDATES

9.3. COMMITTEE UPDATES

10. URGENT OR OTHER BUSINESS

There are two basic parts to this section of the Agenda:

1. Urgent Business

Normally no motion should be debated by Councillors unless the matter is already included as an item on the Agenda. However, in some circumstances it is possible to raise urgent motions.

The Meeting Procedure Local Law No. 3 (Clause 46) allows for where a situation has not been provided for under the Local Law, the Council may determine the matter by resolution. Established practice has provided for urgent motions to be raised at Council provided the matter cannot be dealt with at the next Ordinary Meeting of Council or by Officers under delegation.

It is necessary for the Councillor wishing to raise a matter of urgent business to raise a motion similar to the following:

'That consideration of (the issue) be dealt with as a matter of urgent business and Councillor....be allowed a 'short period' to indicate the reason(s) why the matter should be considered as a matter of urgent business.' If the Chairperson accepts the motion as meeting the urgent business criteria, normal meeting procedures in Local Law No. 3 will apply.

If the motion to accept the item as a matter of urgent business is passed by Council, the motion relating to the specific issue can then be put and debated in the normal way.

2. Other Business

This provides an opportunity for Councillors to raise items of general interest to the Council and the community. It may relate to an up and coming event or the outcomes of a recent meeting with a Minister etc.

11. PUBLIC QUESTIONS

11.1. PETITIONS AND JOINT LETTERS

Petitions and Joint letters are written requests that have been signed by a number of community members. According to the Local Law No.3 2010 petitions may be presented to Council by a Councillor. A petition presented to the Council must lay on the table until the next Ordinary Meeting of Council and no motion, other than to receive the petition, may be accepted by the Chair unless the Council agrees to deal with it earlier.

The lead petitioner or person organising the petition may in presenting the petition to a Councillor at a Public Presentation session speak briefly to its contents. At the following Ordinary Meeting of Council, a Councillor would accept the petition and introduce it to Council for formal noting and actioning by Council.

The Councillor presenting the petition is responsible for ensuring that they are familiar with the contents and purpose of the petition and that it is not derogatory or defamatory.

11.2. ANSWERS TO PREVIOUS QUESTIONS ON NOTICE

All community member questions for Ordinary Council Meetings are to be written and submitted to the Council Business Team by close of business on the Friday preceding the meeting to allow time for a response to be prepared, where possible, for the Council Meeting.

Public Question Time in Ordinary Council Meetings is to be used for matters that are generally political in nature or that cannot be addressed by other means. This session should not be used for questions on routine works or operational matters, planning (application) matters or for repeating previously answered questions.

Source: Public Participation in Meetings with Council Policy (C65) – adopted 23 May 2017.

Nil

11.3. SUBMITTED PUBLIC QUESTIONS

All community member questions for Ordinary Council Meetings are to be written and submitted to the Council Business Team by close of business on the Friday preceding the meeting to allow time for a response to be prepared, where possible, for the Council Meeting.

Public Question Time in Ordinary Council Meetings is to be used for matters that are generally political in nature or that cannot be addressed by other means. This session should not be used for questions on routine works or operational matters, planning (application) matters or for repeating previously answered questions.

Source: Public Participation in Meetings with Council Policy (C65) – adopted 23 May 2017.

12. CLOSED SESSION

Consideration of confidential matters under the Local Government Act 1989, section 89(2).

According to section 89 of the Local Government Act 1989, Council may consider items in closed session. There must be a resolution to move 'In-Committee' stating the reasons why the matter(s) need to be considered in this way. The reasons provided for within the Act are matters concerning personnel, personal hardship, industrial issues, contracts, proposed developments, legal advice or any other matter that Council considers would be prejudicial, to it or any other person.

Once 'In-Committee' discussions and debate have concluded, a further resolution to resume open Council is required.

Nil

13. MEETING CLOSED

NEXT MEETING

The next Ordinary Meeting of Council open to the public will be held on Thursday, 26 April 2018 commencing at 2pm in the Council Chambers, Leongatha.