



Ararat Rural City

AGENDA

COUNCIL MEETING

Tuesday 27 June 2023

To be held in the Council Chambers, Shire Offices
(Livestreamed)

Commencing at 6.00pm

Council:

Cr Jo Armstrong (Mayor)

Cr Gwenda Allgood

Cr Rob Armstrong

Cr Peter Beales

Cr Henry Burridge

Cr Bob Sanders

Cr Bill Waterston



Ararat Rural City

A recording of this meeting is being made for the purpose of verifying the accuracy of the minutes of the Council Meeting.

The recording is being streamed live via Facebook, to improve transparency between council and the community and give more people the opportunity to view what decisions are being made. You do not require a Facebook account to watch the live broadcast, simply enter www.facebook.com/aratruralcitycouncil into your address bar.

Recordings of Council Meetings (excluding closed sessions) are made available on Council's website.

SECTION 1 – PROCEDURAL MATTERS	2
1.1 LIVE STREAMING	2
1.2 TRADITIONAL ACKNOWLEDGEMENT/OPENING PRAYER/COUNCILLORS PLEDGE	2
1.3 APOLOGIES	2
1.4 CONFIRMATION OF MINUTES	2
1.5 DECLARATION OF CONFLICT OF INTEREST	3
SECTION 2 – PUBLIC PARTICIPATION	4
2.1 PETITIONS AND JOINT LETTERS	4
2.1.1 JOINT LETTER FROM ARARAT EARLY LEARNING CENTRE	5
SECTION 3 – REPORTS REQUIRING COUNCIL DECISION	7
3.1 ARARAT RURAL CITY COUNCIL DRAFT BUDGET 2023/2024	7
SECTION 4 – INFORMATION REPORTS	14
4.1 2022/2023 CAPITAL WORKS PROGRAM – JUNE 2023	14
SECTION 5 – COMMITTEE MINUTES/REPORTS	18
5.1 AUDIT AND RISK COMMITTEE MEETING	18
SECTION 6– INFORMAL MEETINGS	20
6.1 INFORMAL MEETINGS	20
SECTION 7 – NOTICES OF MOTION	22
SECTION 8– URGENT BUSINESS	23
SECTION 9 – CLOSE SESSION (CONFIDENTIAL)	24
CLOSURE OF COUNCIL MEETING TO THE PUBLIC	24
OPEN COUNCIL MEETING RECOMMENCEMENT	24
LIFTING OF CONFIDENTIALITY OF CLOSED SESSION RESOLUTIONS	24

SECTION 1 – PROCEDURAL MATTERS

1.1 LIVE STREAMING

Council is keen to engage with members of the community and live streams the formal Council Meetings to make them accessible. The stream is available to view on Council's Facebook page from 6pm and on Council's website following the Council Meeting.

1.2 TRADITIONAL ACKNOWLEDGEMENT/OPENING PRAYER/COUNCILLORS PLEDGE

Traditional acknowledgement

We acknowledge the traditional owners of the land on which we meet today, and pay our respects to their elders, past, present and emerging.

Opening Prayer

Almighty God, we humbly ask you to help us, as elected Councillors of the Ararat Rural City Council. Guide our deliberations. Prosper what is your will for us, to your honour and glory and for the welfare and benefit of the people whom we serve in the Ararat Rural City.

Councillors Pledge

We will faithfully and impartially carry out and exercise the functions, powers, authorities and discretions invested in us under the *Local Government Act 2020* and any other Act to the best of our skill and judgement.

1.3 APOLOGIES

RECOMMENDATION (if required)

That the apology of Cr be accepted.

1.4 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Council Meetings held on 30 May 2023 be confirmed.

1.5 DECLARATION OF CONFLICT OF INTEREST

A Councillor who has a conflict of interest in a matter being considered at a *Council meeting* at which he or she:

- 1 is present must disclose that conflict of interest by explaining the nature of the conflict of interest to those present at the *Council meeting* immediately before the matter is considered; or
- 2 intends to be present must disclose that conflict of interest by providing to the *Chief Executive Officer* before the *Council meeting* commences a written notice:
 - (a) advising of the conflict of interest;
 - (b) explaining the nature of the conflict of interest; and
 - (c) detailing, if the nature of the conflict of interest involves a Councillor's relationship with or a gift from another person, the:
 - name of the other person;
 - nature of the relationship with that other person or the date of receipt, value and type of gift received from the other person; and
 - nature of that other person's interest in the matter,and then immediately before the matter is considered at the meeting announcing to those present that he or she has a conflict of interest and that a written notice has been given to the *Chief Executive Officer* under this sub-Rule.

The Councillor must, in either event, leave the *Council meeting* immediately after giving the explanation or making the announcement (as the case may be) and not return to the meeting until after the matter has been disposed of.

SECTION 2 – PUBLIC PARTICIPATION

2.1 PETITIONS AND JOINT LETTERS

- 1 Unless *Council* determines to consider it as an item of urgent business, no motion (other than a motion to receive the same) may be made on any petition, joint letter, memorial or other like application until the next *Council meeting* after that at which it has been presented.
- 2 It is incumbent on every Councillor presenting a petition or joint letter to acquaint himself or herself with the contents of that petition or joint letter, and to ascertain that it does not contain language disrespectful to *Council*.
- 3 Every Councillor presenting a petition or joint letter to *Council* must:
 - write or otherwise record his or her name at the beginning of the petition or joint letter; and
 - confine himself or herself to a statement of the persons from whom it comes, the number of signatories to it, the material matters expressed in it and the text of the prayer or request.
- 4 Every petition or joint letter presented to *Council* must be in *writing* (other than pencil), typing or printing, contain the request of the petitioners or signatories and be signed by at least 12 people.
- 5 Every petition or joint letter must be signed by the persons whose names are appended to it by their names or marks, and, except in cases of incapacity or sickness, by no one else and the address of every petitioner or signatory must be clearly stated.
- 6 Any signature appearing on a page which does not bear the text of the whole of the petition or request may not be considered by *Council*.
- 7 Every page of a petition or joint letter must be a single page of paper and not be posted, stapled, pinned or otherwise affixed or attached to any piece of paper other than another page of the petition or joint letter.
- 8 If a petition, joint letter, memorial or other like application relates to an operational matter, *Council* must refer it to the *Chief Executive Officer* for consideration.

2.1.1 JOINT LETTER FROM ARARAT EARLY LEARNING CENTRE

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 10447

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

Officers providing advice to Council must disclose any conflict of interest.

No person involved in the preparation of this report has a conflict of interest requiring disclosure.

EXECUTIVE SUMMARY

Council received a joint from educators at Ararat Early Learning Centre, which was first presented at the 28 March 2023 Council Meeting. The joint letter was requesting additional designated, signposted pedestrian crossings at various locations, which are outlined in detail below.

The educators have stated that the inclusion of additional crossings will increase the safety of our community who choose an active mode of transport.

At the 18 April 2023 Council Meeting it was decided that the CEO would work with the Department of Transport to seek cost effective and safe solutions to address the road safety concerns of the signatories on the joint letter.

The CEO has briefed Council on the Ararat On the Move: Active Transport and Lifestyle Strategy 2021-2025 since the April meeting.

The CEO has commenced communication with the DoT, however, due to preparation of the 2023/2024 Budget, a defined strategy addressing the concerns has not yet been determined. The CEO will continue to work with the DoT over the next couple of weeks to determine appropriate solutions to the issues raised.

DISCUSSION

The joint letter, which consists of 21 signatures.

The following is a list of locations Ararat Early Learning Centre would like to see Council install designated, signposted pedestrian crossings:

- At the Moore Street/Princes Street intersection (between St Mary's and Marian College)
- Barkly Street at the Marian College median crossing
- Barkly Street, crossing Kings Street at Christians Buses
- On Queen Street outside the Langi Morgala Museum, crossing to the Library
- Barkly Street, crossing Ingor Street from the bus stop to the Post Office

Ararat Early Learning Centre believe that the installation of these crossings would benefit not only their organisation, but all of Ararat Rural City residents, making it a safer environment for active forms of transport.

It was recommended at the April 2023 Council Meeting, that the CEO contact the regional Director of the Department of Transport to discuss the issues raised in the joint letter with a view to seeking advice around a solution to the safety concerns. The CEO was then to provide a preliminary report to the June 2023 Council meeting on the outcomes of this discussion.

Some preliminary discussions have been held with the Department of Transport regarding the suggested pedestrian crossings. There is a need for some more analysis and provisional design work to be undertaken

in order to progress the discussion. This will be undertaken over the next two months. On this basis it is recommended that the CEO report to the August 2023 Council Meeting with an update on progress.

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

4 *Developing and Maintaining Key Enabling Infrastructure*

We will ensure that we plan, fund and develop new infrastructure in ways that delivers strong public value. Existing infrastructure will be managed, renewed, and maintained to ensure that it continues to serve identified public needs.

5 *Enhancing Community Life*

We will work with the communities of Ararat Rural City to maintain social cohesion, support community activity and cultural life and enhance safety.

Budget Implications

The solution proposed by residents would have a significant impact on budget. The cost benefit of such an approach would need to be carefully considered within the context of future year budgets.

Policy/Relevant Law

N/A

Sustainability Implications

There are no significant impacts identified on native vegetation, cultural heritage, and catchment management at this stage.

Risk Assessment

This report is based on concerns raised by the Ararat Early Learning Centre, and the perceived risk to the community and road users. There is a need to mitigate the perceived risk in a cost-effective and in a way that causes minimal disruption. Council will work with the Department of Transport to seek approaches to reduce the risk.

Innovation and Continuous Improvement

N/A

Stakeholder Collaboration and Community Engagement

This report has been generated based on the joint letter from the educators at Ararat Early Learning Centre.

Further collaboration and community engagement will occur with the educators that signed the joint letter, Councillors and the community once work with Department of Transport has commenced.

RECOMMENDATION

That:

- 1 The CEO continues to work with the Department of Transport to seek cost effective and safe solutions to address the road safety concerns of the signatories on the joint letter; and
- 2 The CEO report to the August 2023 Council Meeting following further work on options.

ATTACHMENTS

There are no attachments relating to this item.

SECTION 3 – REPORTS REQUIRING COUNCIL DECISION

3.1 ARARAT RURAL CITY COUNCIL DRAFT BUDGET 2023/2024

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 10372

OFFICER'S DECLARATION OF INTEREST

Officers providing advice to Council must disclose any conflict of interest.

No person involved in the preparation of this report has a conflict of interest requiring disclosure.

EXECUTIVE SUMMARY

In accordance with Section 94 of the Local Government Act 2020, Council is required to prepare a budget for each financial year and the subsequent 3 financial years by 30 June each year, or any other date fixed by the Minister by notice published in the Government Gazette.

Section 96 of the Local Government Act 2020 requires Council to develop the budget in accordance with the financial management principles and its community engagement policy.

DISCUSSION

Council's 2023/2024 budget has taken a conservative approach to capital works in 2023/2024 again. This is in response to the volatile nature of pricing in the civil construction and building sectors. Council believes that it is important to minimise financial risk around higher value projects. Despite this challenge Council continues to invest in capital works with a healthy investment of \$9.540 million during 2023/2024.

Council will continue to return a dividend to the community for increased organisational efficiency through a zero percent rate rise in 2023/2024. This yields an average zero percent rate rise over the past six years.

Key Budget Influences include:

- a. Ararat Rural City Council's 2023/2024 Budget has a zero percent rate rise that will maintain a zero percent rate increase for a six-year average.

In contrast, had Council increased rates to the amount allowable under the State Government's Fair Go Rates System, over the past four years this would have increased the total burden to ratepayers by 13.50%, during the same six-year period Council has delivered a net zero percent rate rise.

- b. Council wished to frame a 2023/2024 budget that:
 - i. provides quality services and value for money for residents
 - ii. funds a more conservative approach to capital works due to market volatility making management of financial risk more difficult. The capital works program will continue to improve local roads, community infrastructure and maintain existing assets
 - iii. ensures rating fairness through maintaining a consistent percentage of rates burden between each rating sector. This protects against "rate shock" through unequal property valuation increases from year to year.

Key elements of Council's 2023/2024 Budget are:

Capital Works Program:

- \$400,000 - Community projects
- \$400,000 - Foot and Bike Paths
- \$950,000 - Ararat Leisure Centre Redevelopment
- \$1 million – Mount William Road reconstruction
- \$750,000 – Urban Drainage
- \$2.8 million Gravel Road Resheeting
- \$1 million – Road Reseals
- \$2.2 million – Urban Road and Laneway Sealing

New or significant projects:

- \$100,000 – Façade Grants
- \$100,000 – Support for Aradale masterplan
- \$80,000 – Workforce Pilot
- \$150,000 – Advocacy for major projects
- \$500,000 – Support for affordable housing
- \$100,000 – Implement weekend community response team
- \$100,000 – Programs for young people

Revenue

Council's first considerations in framing the 2023/2024 Budget are on the revenue side. Key considerations are:

- Returning efficiency dividends to the community through a zero percent rate rise
- Ensuring a commitment to maintaining relativities in rating burden by each identified rating sector
- Attempting to ease the impact of rates rises on individual ratepayers
- Avoiding where possible "rate shock" experiences of large and unexpected rate increases.

It is proposed that the best mechanism for ensuring this is to propose a rating approach in 2023/2024 that, as far as possible, provides similar revenue outcomes across each sector as 2022/2023. Council believes that the approach taken is perfectly consistent with Section 101 (1) (c) of the Local Government Act 2020, where *"the financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community"*.

In the 2023 valuation there have again been some shifts in valuations across the classes of properties, although these have not been as significant as 2021/2022 and 2022/2023. The 2023 valuation has again yielded some asymmetry in increases in valuations compared to the previous year. The table below demonstrates the nature of this uneven distribution of revaluations between 2022 and 2023:

Rates Sector	Total 2022 CIV	Total 2023 CIV	Increase in CIV 2022-2023	Average increase in CIV
General	\$1,773,731,000	\$2,004,425,500	\$230,694,500	13.01%
Commercial	\$132,518,000	\$148,036,000	\$15,518,000	11.71%
Industrial	\$40,381,000	\$47,320,000	\$6,939,000	17.18%
Farmland	\$4,249,188,500	\$4,539,101,500	\$289,913,000	6.82%
Total	\$6,195,818,500	\$6,738,883,000	\$543,064,500	8.77%

The mechanism for maintaining relativities in rate burden between rating sectors, created through asymmetries in valuation movement is through alteration of rating differentials. The table below demonstrates the impact of a movement in farm rate differential from 0.36 to 0.38 on adjusting the relative rate burden.

Rates Sector	Rating Differential 2022/2023	2022/2023 Rates burden	Rating Differential 2023/2024	2023/2024 Rates burden
General	1.0	51.2%	1.0	51.3%
Commercial	1.44	5.3%	1.44	5.3%
Industrial	1.44	1.6%	1.44	1.7%
Farmland	0.36	41.9%	0.38	41.7%

Council is proposing a change in the farm rate differential from 0.36 to 0.38 to ensure relative burden between rating sectors is maintained from 2022/2023 to 2023/2024.

A zero percent rate increase in 2023/2024

Council has budgeted for a zero percent increase to rates in 2023/2024 in order to ensure that the community receives a dividend for improved organisational efficiency and cost savings

Expenditure

The key driver of the 2023/2024 Draft Budget expenditure is to continue to deliver long-term, sustainable value to the Ararat Rural City community. This will be achieved by focussing on the following key areas:

- strategic renewal of Council's key assets
- driving organisational effectiveness through managing performance and efficiency
- implementing a digital transformation program
- implementation of key projects contained in Council's adopted advocacy program
- ongoing commitment to service review

The proposed Ararat Rural City Council Budget 2023/2024 document outlines the key expenditure areas, which are informed by Council's operational activity, key projects, and the Council Plan 2021-2025.

Other considerations

The waste management kerbside collection charges for residential properties will not be increased.

The Municipal Charge will be fixed at \$96 for 2023/2024.

The budgeted operating result for 2023/2024 is a surplus of \$1.296 million, as compared to a budgeted result of \$0.612 million surplus in 2022/2023.

The budgeted cash flow statement indicates a decrease in cash & cash equivalents of \$1.294 million.

Council undertook significant community consultation around the 2023/2024 Budget including face to face consultation sessions and use of the Engage Ararat platform. Council greatly appreciates the time and effort that community members went to, to attend sessions and make written submissions.

The following table provides a summary of the written submissions which were made to Council's Budget 2023/2024. A full copy of each submission can be found in Attachment 3.1

Name	Key points	Outcome
<p>Tony Reynolds (On behalf of the Green Hill Lake Development Board).</p>	<p>The GHLDB would like the 2023/2024 Budget to include the upgrading and sealing of the main road in the Green Hill Lake Complex.</p> <p>The board believes this is one of the most used unsealed roads within our municipality. The GHLDB believe this upgrade would improve the safety for road users and significantly decrease the dust problem that occurs during the warmer months.</p>	<p>Council would like to thank the Green Hill Lake Development Board for their detailed submission and for expressing your concerns for the safety of visitors of the site.</p> <p>After careful consideration by Councillors, the upgrading and sealing of the main road in the Green Hill Lake Complex has not been included in the 2023/2024 Budget.</p> <p>Council will communicate with the GHLDB, providing detail as to why this request has not been included in the 2023/2024 Budget.</p>
<p>Peter Oddie</p>	<p>Mr Peter Oddie thanked Council for again producing another 0% rate rise and spoke strongly towards supporting the Environmental Land Differential rate.</p> <p>Mr Peter Oddie believes that the Environmental Land Differential rate will encourage people to preserve land for environmental purposes and will help address carbon farming issues.</p>	<p>Council would like to thank Mr Peter Oddie for his submission to the 2023/2024 Budget.</p> <p>Council is pleased to receive feedback on the idea of an Environmental Land Differential rate. Implementation of this new differential will be considered in the 2024/2025 Budget process, following more detailed research and analysis.</p>
<p>Mark Wolfe</p>	<p>Mr Mark Wolfe discussed the synergy between Grampians Tourism and Ararat Rural City Council, and how these organisations are key in developing and delivery economic development outcomes in our region.</p> <p>Mr Wolfe would like to see the inclusion of Council incentivising property owners to renew and restore, but also to entice new investment for other exciting projects.</p>	<p>Council would like to thank Mr Mark Wolfe for the detailed submission.</p> <p>Mr Wolfe's interest in the wine tourism sector is appreciated.</p> <p>Council will continue to work with Grampians Tourism to improve access and promote strong tourism outcomes for our region. Mr Wolfe's submission will be discussed with the</p>

	<p>Mr Wolfe wrote that he believes sealing roads to key tourist and wine destinations should be done, in order to compete with other wine destination regions.</p> <p>Mr Wolfe proposed a concept to “begin a world class, three phase, wine and destination tourist link, that when complete, would bolster visitation in the short to medium term and enable property owners to feel confident investing their hard-earned money into other assets like luxury accommodation eco-lodges or similar - thus increasing visitation and customer spend in the medium to long term as well”</p>	<p>CEO of Grampians Tourism.</p>
<p>Pomonal Progress Association</p>	<p>The PPA group wrote to commend Council for involving all towns in the municipality in their proposed budget.</p> <p>The group expressed concerns over safe bike/walking tracks connecting around Pomonal and to Halls Gap and completing the road safety visibility project.</p> <p>PPA Group also believe that extending the ARCC business initiatives to villages would be a great way to supporting community driven ideas.</p>	<p>Council would like to thank the PPA group for their submission.</p> <p>Council will continue to work closely with the Department of Transport to improve road safety within our municipality.</p> <p>Funding for improvements for footpaths/ walking/ cycling paths has been included in the 2023/2024 Budget.</p>

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

6 Strong and Effective Governance

6.1 Deliver responsible budget outcomes, linked to strategy, that deliver value, innovation and rating fairness

Budget Implications

The Draft Budget has been prepared within the following parameters:

- The Draft Budget proposes the following differential rates - general rate – 100%, commercial and industrial rate – 144% of the general rate and farm rate – 38% of the general rate
- A 0% increase in the total amount received from general rates and charges;
- No increase in the Municipal Charge which will remain at \$96 per rateable property in 2023/2024;
- An increase of approximately 6.4% for recycle collection and other waste management charges, however the level of service will be substantially expanded across the municipality;
- A balanced budget in terms of a cash result and an operating surplus of \$1.296 million in terms of an accrual accounting result;
- A net decrease in cash and cash equivalents of \$1.294 million;
- A capital works program of \$9.540 million;
- No new loan borrowings; and
- Capital budgets have been prepared in accordance with good asset management principles.

More detailed information is contained in the Budget document.

Policy/Relevant Law

Council is required under Section 94 of the Local Government Act 2020 to prepare a budget for each financial year. The budget contains the Financial Statements, a description of services and initiatives to be funded in the budget, service outcome indicators, and major initiatives to be undertaken during the financial year and the performance measures in relation to each major initiative.

Sustainability Implications

In developing the Draft Budget 2023/2024 all environmental, social and economic impacts have been considered.

Risk Assessment

Council must implement the principles of sound financial management, which includes managing financial risks faced by Council and ensuring that decisions are made, and actions taken having regard to their financial effects on future generations. The reduction in rates and charges are not considered to affect Council's long term financial sustainability.

Innovation and Continuous Improvement

The Draft Budget has been prepared over a considerable period of time, with significant input from Council officers and Councillors. The Draft Budget allows Council to consider all forms of revenue that are required to fund Council services.

Stakeholder Collaboration and Community Engagement

Councillors and the Chief Executive Officer have discussed the Draft Budget 2023/2024 at briefings held on 4 April, 16 May, 23 May, 6 June and 20 June 2023.

Consultation on the Draft Budget 2023/2024 was carried out over a 4-week period, which included:

- Engage Ararat website – Council sought community feedback through this platform; and
- Community workshop sessions held in Tatyoon, Moyston, Elmhurst, Ararat, Willaura, Pomonal and Lake Bolac between 8 May 2023 and 18 May 2023

RECOMMENDATION

That Council, having considered the draft Budget 2023/2024 and having distributed the budget for community consultation, resolves as follows:

1 To adopt the Budget 2023/2024, comprising the 2023/2024 financial year plus the subsequent three financial years 2024/2025 to 2026/2027, pursuant to Section 94 of the Local Government Act 2020

2 To declares Rates and Charges for the 2023/2024 financial year as follows

a. An amount of \$17,124,361 be declared as the amount which Council intends to raise by General Rates, Municipal Charge, Annual Service Charges and Special Charges which amount is calculated as follows:

	Amount
General Rates	
Residential	\$7,031,525
Commercial	\$747,878
Industrial	\$239,060
Farm	\$6,050,622
Municipal Charge	\$630,336
Annual Service Charges	
Kerbside Collection Charges	\$2,422,411
Special Charges	
Bunnugal Drainage	\$2,529
TOTAL	\$17,224,361

b. A general residential rate of 0.3508 cents in the dollar of the Capital Improved Value be declared for the period 1 July 2023 to 30 June 2024

c. A commercial/industrial differential rate of 0.5052 cents in the dollar of the Capital Improved Value be declared for the period 1 July 2023 to 30 June 2024

d. A farm differential rate of 0.1333 cents in the dollar of the Capital Improved Value be declared for the period 1 July 2023 to 30 June 2024

e. Council resolves to adopt a municipal charge of \$96 per rateable assessment for the period 1 July 2023 to 30 June 2024

f. Annual Service Charge be declared for the period 1 July 2022 to 30 June 2023 on properties where the service is provided, as follows:

i.	Kerbside collection – 4 bin system	\$462
ii.	Kerbside collection – 3 bin system	\$410
iii.	Kerbside collection – additional 140 litre garbage	\$162
iv.	Kerbside collection – additional 240 litre recycling	\$139
v.	Kerbside collection – additional 240 litre organics	\$139
vi.	Kerbside collection – additional 80 litre glass	\$22

g. Special Charge be declared for the period 1 July 2023 to 30 June 2024 on all properties in the Bunnugal Drainage area, for maintenance works within the drainage area, as follows:

i.	High rating zone – charge per hectare	\$1.65
ii.	Low rating zone – charge per hectare	\$1.00

3 To declare the Fees and Charges for the 2023/2024 financial year, contained in Section 6-Schedule of Fees and Charges of the Budget document.

ATTACHMENTS

The Draft Budget 2023/2024 is included as Attachment 3.1.

SECTION 4 – INFORMATION REPORTS

4.1 2022/2023 CAPITAL WORKS PROGRAM – JUNE 2023

RESPONSIBLE OFFICER: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 9655

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

Officers providing advice to Council must disclose any conflict of interest.

No person involved in the preparation of this report has a conflict of interest requiring disclosure.

EXECUTIVE SUMMARY

Council adopted its 2022/2023 Capital Works Program as a key element of the 2023/2023 Budget. The program is significantly different to previous years in that it is not predominantly made up of larger road and bridge renewals. The 2022/2023 Program is composed of a series of smaller projects, including a focus on renewal and upgrade of community infrastructure.

The flood events in October 2023, provided some disruption to Council's planned capital works program. Work by Council staff and contractors continues to make good significant damage to Council's Road and drainage assets, particularly the unsealed road network.

The capital works program has also been impacted by significant volatility in contract pricing. Market uncertainty, cost of materials, logistical issues and price gouging have all created substantial fluctuations in contract pricing and delivery. To mitigate this risk Council has decided to manage a range of projects in-house where cost can be more reliably managed.

Despite the impacts of flooding and market uncertainty it is still anticipated that capital works program for 2022/2023 will approach 100% completion.

DISCUSSION

Council's 2022/2023 Capital Works Program is substantially different to the last few years. The program does not have a number of major road or bridge projects. Council believes that during the period of pricing instability currently being experienced, that it was better to undertake a "small target" capital works program in 2022/2023.

The emphasis for 2022/2023 has been on renewal and updating Council assets, undertaking a larger number of smaller projects of lower value to avoid the impacts of price volatility in the market. It is hoped that this approach will also provide opportunities to leverage in-house capability, support local employment and engagement of local contractors.

The capital works program has had an emphasis on the following areas:

- Improvements to range of community infrastructure
- An enhanced road reseal program
- Improvement to urban drainage
- Upgrades to the footpath network
- Major patching work to extend the life of heavy use local roads

The October 2022 flood event impacted significantly on Council's capacity to undertake works on the capital works program. This disruption has been felt for several months. In spite of this disruption, it is anticipated that Council will go very close to fully expending the capital works budget in 2022/2023.

The capital work budget is currently 96% spent. This is very close to our target with end of month invoices still to be provided. This has taken a whole team effort to achieve this result. It is still important to note that the October flood event represented a significant disruption to the smooth roll out of the program and pricing volatility has also impacted projects such as the Helendoite Road bridge.

	Budget	Committed/ Contracted	Complete	Notes
PROPERTY -CAPITAL	\$1,500,000			
Park Infrastructure		\$31,848.00	\$209,387.92	This is made up of a series of smaller projects. The most significant of these is the purchase and installation of new playground equipment at Alexandra Gardens and Lake Bolac. Existing gas BBQs have been replaced with new models and the Barkly St public toilet will be replaced. It is expected that the community infrastructure program is 97% expended in 2022/2023.
Playgrounds		\$478,145.98	\$33,626.02	
Sporting Infrastructure		\$124,904.42	\$67,516.00	
Ararat Fitness Centre			\$143,451.80	
Community Facilities		\$112,528.36	\$255,138.17	
TOTAL PROPERTY		\$747,426.76	\$709,119.91	
PLANT & EQUIPMENT	\$810,000			
Vehicle Purchased			\$225,551.70	The plant and equipment program will be fully expended in 2022/2023. This amount does not include provision to purchase a mobile speed shredder.
Major Plant Purchases		\$75,404.00	\$232,354.00	
Book stock - Library Book Replacement			\$44,491.35	
TOTAL PLANT & EQUIPMENT		\$75,404.00	\$ 502,397.05	
Gravel Road Sheeting & Gravel Road Widening	\$2,100,000	\$99,242.65	\$1,420,180.30	The gravel road resheeting program will be fully expended in 2022/2023. End of year invoices are still to be received.
Reseal Program	\$2,100,000	\$954,106.24	\$1,821,755.54	The road reseal program will be completed. It is recommended that road widening on Rhymney Rd and Buangor Ben Nevis Rd are deferred until 2023/2024 and the additional \$643,000 be invested in additional direct road reseal works. This price also includes a 50% contribution of the construction costs for Woorndoo Streatham Road which was completed by Moyne Shire Council.
Major Patching	\$400,000		\$306,192.65	Major patching has been undertaken on higher volume local roads and includes \$273,527 for targeted asphalt works.
Asphalting Works (T698)			\$273,527.20	
Helendoite Road Bridge	\$800,000		\$476,889.75	The bridge elements have been purchased through InQuik. Installation was tendered and the pricing was viewed as excessive. This will now be

				undertaken in-house, with an aim to completion as soon as practicable.
Footpath Renewal Program	\$300,000		\$264,600.17	The footpath program will be fully expended in 2022/2023.
Urban Drainage Works	\$700,000		\$54,064.08	Reconstruction of Tobin St and kerb and channel at Walkerville and Wileman St, Willaura are contracted for construction in Q1 and Q2 of 2023/2024. It is recommended that the \$643,200 expenditure be deferred until 2023/2024 and that this amount is invested in additional road resealing in 2022/2023 in order to take advantage of price savings.
Reconstruction of Tobin Street (Ch. 930) (T712)		\$317,200.00		
Walkerville & Wileman St Kerb & Channel (T711)		\$326,000.00		
TOTAL INFRASTRUCTURE		\$1,970,076.09	\$4,343,682.49	
TOTAL CAPITAL WORKS		\$2,792,906.85	\$5,555,199.45	

There are also recreation facilities projects that were funded in the 2021/2022 budget that have extended beyond the single financial year. The committed expenditure includes contracts entered for construction of various elements of the projects. The table below provides a summary of these projects:

Capital Work Element	Committed expenditure	% complete	Notes
Gordon St Recreation Reserve	\$4,472,677	97%	The project is running on time and very close to budget. The remaining elements yet to be procured is seeding of construction of the playing fields.
Buangor Recreation Reserve Kitchen Extension	\$40,520	15%	Project halted due to huge variations in construction pricing. The project is tender ready and currently waiting of an updated cost plan. This project will be tendered in July to test the market.
Lake Bolac Golf Club Kitchen	\$174,124	80%	Tender has been awarded to Build Forth, from Ballarat for completion of the works. The Building Permit has been received and works are expected to commence imminently.
Lake Bolac Hall Design Project		0%	No progress on project.
Total	\$4,707,322	92%	

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

The key financial drivers align strongly with the thrust of the Council Plan 2021-2025, particularly the following:

- 4.1 Ensure that asset development and renewal during the planning period matches that identified in Council's Asset Plan 2021-2031.
- 4.2 Work directly with asset users to manage and develop new and existing assets.
- 4.3 Deliver infrastructure outcomes that support economic growth, promote community wellbeing and safety and align with Council's financial sustainability.
- 6.1 Deliver responsible budget outcomes, linked to strategy, that deliver value, innovation, and rating fairness.

Budget Implications

The 2022/2023 Capital Works Program represents a significant element of Council's 2022/2023 Budget. In the current volatile civil construction market, it is essential that Council manages capital works expenditure carefully to ensure budget outcomes are met. Although there have been market and natural disaster impacts it is anticipated that Council will go very close to fully expending the capital works budget.

Policy/Relevant Law

The 2022/2023 Capital Works Program complies with the program funded in the 2022/2023 Budget.

Sustainability Implications

There are no environmental sustainability implications.

Risk Assessment

The 2022/2023 Capital Works Program was developed as a mitigation of the financial risks associated with market volatility currently being experienced in the civil and building construction sectors.

Innovation and Continuous Improvement

Development of the 2022/2023 Capital Works Program represented an agile response to market conditions. A capacity to rework strategy based on a changing environment is a critical element in developing an innovative organisation.

Stakeholder Collaboration and Community Engagement

The 2022/2023 Capital Works Program was developed as an element of the 2022/2023 Budget. There was extensive community engagement undertaken prior to adoption.

RECOMMENDATION

That the 2022/2023 Capital Works Program - June 2023 report be received.

ATTACHMENTS

There are no attachments in relation to this item.

SECTION 5 – COMMITTEE MINUTES/REPORTS

5.1 AUDIT AND RISK COMMITTEE MEETING

AUTHOR'S TITLE: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 10421

OFFICER DIRECT OR INDIRECT CONFLICT OF INTEREST:

Officers providing advice to Council must disclose any conflict of interest.

No person involved in the preparation of this report has a conflict of interest requiring disclosure.

EXECUTIVE SUMMARY

This report contains the minutes of the Audit and Risk Committee meeting held on 06 June 2023.

DISCUSSION

Minutes of Audit and Risk Committee meetings are provided to Council at the first available opportunity after clearance by the Audit and Risk Committee Chairperson. The report contains the Audit and Risk Committee Meeting held on 06 June 2023.

Council Committees	Councillor representative	Current meeting (as presented)	Next scheduled meeting/s
Audit and Risk Committee	Cr Jo Armstrong	06 June 2023	05 September 2023
Audit and Risk Committee	Cr Henry Burridge	Apology for the 06 June 2023 meeting	05 September 2023

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

The report supports the strategic objective of the Council Plan 2021-2025:

6 Strong and Effective Governance

Budget Implications

No budget impact for the receiving of minutes.

Policy/Legal/Statutory

Section 53 of the *Local Government Act 2020* states that Council must establish an Audit and Risk Committee.

Section 6.1 of the *Audit and Risk Committee Charter* states that minutes of Committee meetings will be provided to Council at the first available opportunity after clearance by the Committee Chairperson following each Committee meeting.

Risk Assessment

Council needs to be aware of issues raised in the minutes.

Stakeholder Consultation and Communication

Audit and Risk Committee members.

Councillor representation on Council Committees.

Chief Executive Officer and relevant Council officers.

RECOMMENDATION

That the Audit and Risk Committee Meetings minutes of 06 June 2023 be received.

ATTACHMENTS

The Audit and Risk Committee minutes as listed above are provided as Attachment 5.1.

SECTION 6– INFORMAL MEETINGS

6.1 INFORMAL MEETINGS

AUTHOR'S TITLE: CHIEF EXECUTIVE OFFICER
DEPARTMENT: CEO'S OFFICE
REFERENCE: 13039074

OFFICER'S DECLARATION OF INTEREST

Officers providing advice to Council must disclose any conflict of interest.

No person involved in the preparation of this report has a conflict of interest requiring disclosure.

EXECUTIVE SUMMARY

The Governance Rules state that if there is a meeting of Councillors that:

- 1 is scheduled or planned for the purpose of discussing the business of *Council* or briefing Councillors;
- 2 is attended by at least one member of Council staff; and
- 3 is not a *Council meeting*, *Delegated Committee* meeting or *Community Asset Committee* meeting, the *Chief Executive Officer* must ensure that a summary of the matters discussed at the meeting

are:

- a) tabled at the next convenient *Council meeting*; and
- b) recorded in the minutes of that *Council meeting*.

DISCUSSION

As a requirement of the Governance Rules, a summary of matters discussed at the Council Briefings held since the last Council Meeting are presented to Council and will be recorded in the minutes.

INFORMAL MEETINGS
Council Briefing held on 06 June 2023
Council Briefing held on 20 June 2023

Issues discussed at the briefing:

- Ararat Pistol Club
- Rating Strategy 2021-2025 review
- Council Plan 2021-2025 Annual Plan 2023/2024
- Budget submissions
- Rating differentials 2023/2024
- Draft Budget for adoption 2023/2024

KEY CONSIDERATIONS

Alignment to Council Plan Strategic Objectives

The report supports the strategic objective of the Council Plan 2021-2025:

- 6.3 Continuously improve Council's community engagement process and practices in line with deliberative engagement practices, while acknowledging the need for a range of different techniques to ensure effective engagement.

Financial

There are no financial impacts for the receiving of Informal Meetings of Councillors.

Policy/Relevant Law

Reporting of Informal Meetings is in line with the requirements of the Governance Rules.

Risk Assessment

Following the requirements of the Governance Rules will ensure that Council meets its legislative requirements.

Stakeholder Collaboration and Community Engagement

A summary of matters discussed at the Council Briefings are presented for community information.

RECOMMENDATION

That the Informal Meetings of Councillors Report be received.

ATTACHMENTS

The Summary of Council Briefings are provided as Attachment 6.1.

SECTION 7 – NOTICES OF MOTION

A notice of motion must be in writing signed by a Councillor and be lodged with or sent to the *Chief Executive Officer* no later than 12.00pm (noon) and at least six (6) days prior to the Council Meeting to allow sufficient time for the *Chief Executive Officer* to include the *notice of motion* in agenda papers for a *Council meeting*.

SECTION 8– URGENT BUSINESS

Items cannot be admitted as urgent business other than by resolution of *Council* and only then if it:

- 1 relates to or arises out of a matter which has arisen since distribution of the *agenda*; and
- 2 cannot safely or conveniently be deferred until the next *Council meeting*.

SECTION 9 – CLOSE SESSION (CONFIDENTIAL)

In accordance with section 66(2)(a), 3(1) *Confidential Information* (a) of the Local Government Act 2020, the following agenda items are listed for consideration in the confidential section:

- Item 9.1 – Waiver of Rates & Interest

CLOSURE OF COUNCIL MEETING TO THE PUBLIC

The Open Council Meeting will now be closed, but members of the public are welcome to rejoin the Council Meeting following the recommencement of the meeting.

RECOMMENDATION

That the meeting be closed to members of the public pursuant to section 66(2)(a) of the Local Government Act 2020 to consider confidential reports.

OPEN COUNCIL MEETING RECOMMENCEMENT

RECOMMENDATION

That the Open Council Meeting recommence.

Gallery invited to return to Council Chamber.

LIFTING OF CONFIDENTIALITY OF CLOSED SESSION RESOLUTIONS

RECOMMENDATION

That the Confidentiality of the report and decision in relation to 9.1 not be lifted on adoption of the motion