

Council Meeting

Agenda

Tuesday, 13 February 2024

Council Chamber - Civic Centre
and via Videoconference

Information for Councillors and the community

ACKNOWLEDGEMENT OF COUNTRY

Yarra Ranges Council acknowledges the Wurundjeri and other Kulin Nations as the Traditional Owners and Custodians of these lands. We pay our respects to all Elders, past, present, and emerging, who have been, and always will be, integral to the story of our region. We proudly share custodianship to care for Country together.



COUNCIL VISION

Whether you live here or visit, you will see how much we care for country, how inclusive and connected our communities are, and how sustainable balanced growth makes this the best place in the world.

VALUE OF HISTORY

We acknowledge that history shapes our identities, engages us as citizens, creates inclusive communities, is part of our economic well-being, teaches us to think critically and creatively, inspires leaders and is the foundation of our future generations.

COUNCILLOR COMMITMENT

We'll be truthful, represent the community's needs, be positive and responsive and always strive to do better.

OUR COUNCILLORS

Billanook Ward: Tim Heenan
Chandler Ward: David Eastham
Chirnside Ward: Richard Higgins
Lyster Ward: Johanna Skelton
Melba Ward: Sophie Todorov

O'Shannassy Ward: Jim Child
Ryrie Ward: Fiona McAllister
Streeton Ward: Andrew Fullagar
Walling Ward: Len Cox

CHIEF EXECUTIVE OFFICER & DIRECTORS

Chief Executive Officer, Tammi Rose
Director Built Environment & Infrastructure, Hjalmar Philipp
Director Communities, Leanne Hurst

Director Corporate Services, Andrew Hilson
Director Planning and Sustainable Futures, Kath McClusky

GOVERNANCE RULES

All Council and Delegated Committee meetings are to be conducted in accordance with Council's Governance Rules, which can be viewed at: <https://www.yarraranges.vic.gov.au/Council/Corporate-documents/Policies-strategies/Governance-rules>

PUBLIC PARTICIPATION IN MEETINGS

Members of the community can participate in Council meetings in any of the following ways:

- making a verbal submission for up to 5 minutes on matters not listed on the agenda.
- submitting a question.
- speaking for up to 5 minutes to a specific item on the agenda. For planning applications and policy issues, the Chair will invite one person to speak on behalf of any objectors and one person to speak on behalf of the applicant. For other matters on the agenda, only one person will be invited to address Council, unless there are opposing views. At the discretion of the Chair, additional speakers may be invited for items of large interest.
- speaking for up to 5 minutes to a petition to be presented at a meeting.

For further information about how to participate in a Council meeting, please visit: <https://www.yarraranges.vic.gov.au/Council/Council-meetings/Submissions-questions-petitions-to-Council>

LIVE STREAMING AND RECORDING OF MEETINGS

Council meetings will be live streamed and recorded with the video recording being published on Council's website. Council will cease live streaming at the direction of the Chair or prior to any confidential items being considered.

Opinions or statements made during the course of a meeting are those of the particular individuals. Council does not necessarily endorse or support the views, opinions, standards or information contained in the live streaming or recording of meetings. While Council will use its best endeavours to ensure the live stream and Council's website are functioning, technical issues may arise which may result in Council temporarily adjourning the meeting or, if the issue cannot be resolved, adjourning the meeting to another date and time to be determined.

A person in attendance at the meeting must not operate film, photographic, tape-recording or other equipment to reproduce sound and/or images at any meeting without first obtaining the consent of the Chair.

The Minutes produced after each Council Meeting form the official record of the decisions made by Yarra Ranges Council.

VIEWING THIS AGENDA ON A MOBILE DEVICE



The free modern.gov app enables you to download papers for our meetings on Apple, Android and Windows devices. When you first open the app you will be asked to 'Subscribe to Publishers' – simply select Yarra Ranges Council from the list of councils. The App allows you to select the meetings you are interested in and it will then automatically keep itself updated with all the latest meeting agendas and minutes.

EVACUATION PROCEDURES

In the case of an emergency during a meeting held at the Civic Centre, 15 Anderson Street, Lilydale, you should follow the directions given by staff and evacuate the building using the nearest available exit. You should congregate at the assembly point at Hardy Street car park.

CONTACT US

Post	PO Box 105, Anderson Street
Telephone	1300 368 333
Facsimile	(03) 9735 4249
Email	mail@yarraranges.vic.gov.au

Agenda

1. **COUNCIL MEETING OPENED** 6
2. **ACKNOWLEDGEMENT OF COUNTRY** 7
3. **INTRODUCTION OF MEMBERS PRESENT** 8
4. **APOLOGIES AND LEAVE OF ABSENCE** 9
5. **MAYORAL ANNOUNCEMENTS** 10
6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS** 11
7. **DISCLOSURE OF CONFLICTS OF INTEREST** 12

In accordance with Chapter 7, Rule 4, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

8. **QUESTIONS AND SUBMISSIONS FROM THE PUBLIC** 13

In accordance with Chapter 3, Rules 57 and 59, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

9. **PETITIONS** 14

In accordance with Chapter 3, Rule 60, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

- 9.1 Petition to Council 15 - 16

10. **BUSINESS PAPER**

Corporate Services

- 10.1 Quarterly Finance Report - December 2023 17 - 42

Agenda

Built Environment and Infrastructure		
10.2	Road Discontinuance abutting 2 Edward Street Healesville	43 - 54
10.3	EOI6105 7169 Mt Morton Road, Belgrave Heights Stage 2 Road Improvement Works Special Charge Scheme	55 - 64
11.	COUNCILLOR MOTIONS	65
<i>In accordance with Chapter 3, Division 4, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.</i>		
12.	ITEMS THROUGH THE CHAIR	66
13.	REPORTS FROM DELEGATES	67
14.	DOCUMENTS FOR SIGNING AND SEALING	68
<i>In accordance with Clause 87 of the Meeting Procedures and Use of Common Seal Local Law 2015, as prescribed by Section 14(2)(c) of the Local Government Act 2020.</i>		
15.	INFORMAL MEETING OF COUNCILLORS	69 - 72
16.	URGENT BUSINESS	73
<i>In accordance with Chapter 3 Rule 24 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.</i>		
17.	CONFIDENTIAL ITEMS	74
<i>In accordance with section 66(2)(a) of the Local Government Act 2020.</i>		
18.	DATE OF NEXT MEETING	75 - 76

YARRA RANGES COUNCIL

**AGENDA FOR THE 597TH COUNCIL MEETING TO BE HELD ON TUESDAY
13 FEBRUARY 2024 COMMENCING AT 7.00PM IN COUNCIL CHAMBER, CIVIC
CENTRE, ANDERSON STREET, LILYDALE / VIA VIDEOCONFERENCE**

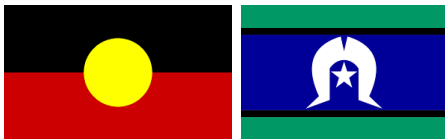
1. MEETING OPENED

2. ACKNOWLEDGEMENT OF COUNTRY

Yarra Ranges Council acknowledges the Wurundjeri and other Kulin Nations as the Traditional Owners and Custodians of these lands.

We pay our respects to all Elders, past, present, and emerging, who have been, and always will be, integral to the story of our region.

We proudly share custodianship to care for Country together.



3. INTRODUCTION OF MEMBERS PRESENT

OUR COUNCILLORS

Billanook Ward: Tim Heenan
Chandler Ward: David Eastham
Chirnside Ward: Richard Higgins
Lyster Ward: Johanna Skelton
Melba Ward: Sophie Todorov
O'Shannassy Ward: Jim Child
Ryrie Ward: Fiona McAllister
Streeton Ward: Andrew Fullagar
Walling Ward: Len Cox

CHIEF EXECUTIVE OFFICER & DIRECTORS

Chief Executive Officer, Tammi Rose
Director Built Environment & Infrastructure, Hjalmar Philipp
Director Communities, Leanne Hurst
Director Corporate Services, Andrew Hilson
Director Planning & Sustainable Futures, Kath McClusky

4. APOLOGIES AND LEAVE OF ABSENCE

An apology for this meeting was received from Councillor Tim Heenan.

5. MAYORAL ANNOUNCEMENTS

6. CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Council Meeting held Tuesday 30 January 2024, as circulated, be confirmed.

7. CONFLICTS OF INTEREST

In accordance with Chapter 7, Rule 4, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

The Local Government Act 2020 defines two categories of conflict of interest:

- *a general conflict of interest, which is defined as "...a relevant person has a general conflict of interest in a matter if an impartial, fair-minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty", and*
- *a material conflict of interest, which is defined as "...a relevant person has a material conflict of interest in respect of a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter. The benefit may arise or the loss incurred (a) directly or indirectly; or (b) in a pecuniary or non-pecuniary form."*

In accordance with section 130 of the Local Government Act 2020, a conflict of interest must be disclosed in the manner required by the Governance Rules and the relevant person must exclude themselves from the decision-making process.

No Conflicts of Interest have been received prior to the Agenda being printed.

8. QUESTIONS AND SUBMISSIONS FROM THE PUBLIC

In accordance with Chapter 3, Rules 57 and 59, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

A person may make a submission to Council on matters that are not listed on the Agenda. A submission may be on any matter except if it:

- (a) is considered malicious, defamatory, indecent, abusive, offensive, irrelevant, trivial, or objectionable in language or substance;*
- (b) is substantially the same as a submission made to a Council meeting in the preceding 12 months;*
- (c) relates to confidential information as defined under the Act;*
- (d) relates to the personal hardship of any resident or ratepayer; or*
- (e) relates to any other matter which the Council considers would prejudice the Council or any person.*

There were no Questions to Council or Submissions from the Public received prior to the Agenda being printed.

9. PETITIONS

In accordance with Chapter 3, Rules 60, of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

A person may submit a petition to Council on matters that are not listed on the Agenda. Every petition or joint letter submitted to Council must:

- a) identify a 'Lead Petitioner' who Council can correspond with;*
- b) be legible and in permanent writing;*
- c) be clear and state on each page the matter and action sought from Council. 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;*
- d) not be derogatory, defamatory or objectionable in language or nature;*
- e) not relate to matters outside the powers of Council; and*
- f) clearly state the names and addresses of at least seven (7) people who live, work, study or do business in the Municipal district.*

PETITION TO COUNCIL

Report Author: Governance Officer
Responsible Officer: Director Corporate Services
Ward(s) affected: All Wards

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

The following petition be received:

General Petition

1. Request that Council take immediate action regarding the inadequate budget allocation for drainage systems, and the management thereof, resulting in recurrent flooding in and around Chapel Street and Clarke Street, Lilydale.

88 valid signatures.

2. Request that Council immediately invest, fund and upgrade and replace the current ageing, poorly maintained and insufficient easement, pits, drains, local roads, stormwater and drainage infrastructure in Bristol Crescent, Valencia Road, Opal Court, Carmen Court, Hereford Road, Akarana Road and surrounding streets, and the urgently maintenance and upgrade of the easement pipes from Mt Evelyn to Lilydale Lake roundabout.

15 valid signatures.

RECOMMENDATION

That the following General Petition be received and noted and referred to the appropriate officer.

- 1. Request that Council take immediate and effective action regarding the inadequate drainage system, and the management thereof, resulting in recurrent flooding in Chapel Street and Clarke Street, Lilydale.***
- 2. Request that Council immediately invest, fund and upgrade and replace the current ageing, poorly maintained and insufficient easement, pits, drains, local roads, stormwater and drainage infrastructure in Bristol Crescent, Valencia Road, Opal Court, Carmen Court, Hereford Road, Akarana Road and surrounding streets, and the urgently maintenance and upgrade of the easement pipes from Mt Evelyn to Lilydale Lake roundabout.***

QUARTERLY FINANCE REPORT - DECEMBER 2023

Report Author: Manager Financial Services (CFO)

Responsible Officer: Director Corporate Services

Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

The attached quarterly finance reports have been prepared as at 31 December 2023. The reports include financial year-to-date data up to quarter two of the 2023-2024 financial year and is compared to the adopted budget and the forecast projections for the full year to 30 June 2024.

RECOMMENDATION

That Council

1. ***Receives and notes the Finance Report for the period to 31 December 2023 for the purpose of Section 97 of the Local Government Act 2020.***
2. ***Approves and adopts the Capital Works Transfers as outlined in the December Quarterly Capital Works Report.***

RELATED COUNCIL DECISIONS

There are no related Council decisions relevant to this item.

DISCUSSION

Purpose and Background

The quarterly financial update presents summary financial statements and a series of other progress reports on matters that will inform Council and the community on the performance of the relevant quarter.

Summary of year-to-date results

Comprehensive Result (net surplus)

Year to date comprehensive result of \$10.4m is \$9.8m above the adopted budget.

This is due to:

- Overall revenue exceeds the budget by \$1.7m, primarily related to Special Rates and Charges recognised in October for the full year. This is partially offset by lower statutory fees and fines, operating grants, and non-monetary assets contributions.
- Overall expenses are under budget by \$7.8m, predominantly related to employee benefits \$4.1m and material and services expenses \$5.3m. This is offset by higher depreciation and amortisation cost (\$1.1m).

Balance Sheet and Cash Flow Statement

- Cash and investment holdings ended December at \$42.7m, representing a positive cash position. The Balance Sheet presents a working capital of \$18.4m (total current assets of \$127.2m less total current liabilities of \$108.9m). This reflects the Council's ability to meet its obligations as and when they fall due.

Capital Program

- Capital expenditure finished the month at \$6.7m against a budget of \$4.6m for December. Year to Date capital expenditure of \$32.0m is \$4.5m or 16.3% above the YTD Adopted Budget of \$27.5m.

Further details are included in the attached quarterly Capital Works report.

Conclusion

This report provides a summary of the financial position for Yarra Ranges Council for the month ended 31 December 2023. Council finished the month with a surplus of \$2.9m. Revenue for the month was \$0.9m above the budget due to higher capital grants recognised at quarter end to match off expenditure. Expenses for the month were \$0.8m lower than budgeted due to a higher level of employee vacancies across the council and capitalised salary of \$2.5m.

APPLICABLE PLANS AND POLICIES

Sound financial management and reporting of Council's activities forms part of Council's commitment to being a High Performing Organisation, one of Council's five strategic objectives outlined in its Council Plan.

RELEVANT LAW

Section 97 of the *Local Government Act 2020* requires Council to prepare and present a quarterly finance report that compares annual budgeted revenue and expenditure with actual year-to-date revenue and expenditure, at a Council meeting which is open to the public.

SUSTAINABILITY IMPLICATIONS

There are no broader economic, social or environmental impacts associated with this report.

COMMUNITY ENGAGEMENT

Not applicable.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Not applicable.

RISK ASSESSMENT

A risk assessment has been considered in relation to the financial report and deemed an acceptable level of risk.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. December 2023 Quarterly Financial Report
2. December 2023 Quarterly Capital Works Report.



Financial Report

for the period July 2023 to Dec 2023

Table of Contents

Executive Summary	3
Financial Performance for the period ending 31 st Dec 2023	5
Comprehensive Income Statement	5
Variances and Insights	6
Balance Sheet	8
Statement of Cash Flows	9
Statement of Capital Works	10
Organisational Performance	12
Investments	12
Borrowings	12
Debtor Management	13
Rate Arrears	14

Executive Summary

This report provides a summary of the financial position for the Yarra Ranges Council for the month ended 31st Dec 2023. The Council finished the month with a surplus of \$2.9m. Revenue for the month was \$0.9m above the budget due to higher capital grants recognised at quarter end to match off expenditure. Expenses ended the month were \$0.8m lower than budgeted due to a higher level of employee vacancies across the Council and capitalised salary of \$2.5m.

Income & Expense Summary

	December 2023				YTD December 2023				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Total Income	20,759	19,896	863	4.3%	119,698	118,047	1,651	1.4%	234,777	252,333	17,556	7.0%
Total Expenses	17,918	18,670	752	4.0%	109,602	117,415	7,812	6.7%	225,708	228,637	(2,929)	(1.3)%
Net Gain/(Loss) on Disposal	76	0	76	0.0%	344	0	344	0.0%	0	(450)	(450)	100.0%
Net Surplus/(Deficit)	2,917	1,226	1,691	(137.9)%	10,440	632	9,807	1,551.6%	9,069	23,246	14,177	61.0%
Operating (Underlying) Surplus/(Deficit)	(1,133)	(574)	(560)	97.6%	(524)	(10,167)	9,643	(94.8)%	(12,530)	(9,588)	2,942	(30.7)%

Comprehensive Result (YTD Net Surplus)

YTD comprehensive result of \$10.4m is \$9.8m above the adopted budget. This is due to:

- Overall revenue exceeds the budget by \$1.7m, primarily related to Special Rates and Charges recognised in October for the full year. This is partially offset by lower statutory fees and fines, operating grants, and non-monetary assets contributions.
- Overall expenses are under budget by \$7.8m, predominantly related to employee benefits \$4.1m and material and services expenses \$5.3m. This is offset by higher depreciation and amortisation cost (\$1.1m) and other expenses (\$0.9m).

Balance Sheet and Cash Flow Statement

Cash and investment holdings ended December at \$42.7m, representing a strong cash position. The Balance Sheet presents a working capital of \$18.4m (total current assets of \$127.2m less total current liabilities of \$108.9m). This reflects the Council's ability to meet its obligations as and when they fall due.

Capital Program

Capital expenditure finished the month at \$6.7m against a budget of \$4.6m for December. Year to Date capital expenditure of \$32.0m is \$4.5m or 16.3% above the YTD Adopted Budget of \$27.5m.

The table below outlines where Council is tracking against key VAGO performance indicators.

VAGO Performance Indicators as at Dec 2023							
Indicator	Measure					YTD Actual	Full year Budget
Net result	Net surplus (deficit) / Total revenue	Less than (1.0%)	(10%) to 0%	More than 0%	%	8.7%	3.9%
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	Less than 0%	0% to 5%	More than 5%	%	(0.5%)	(5.9%)
Liquidity	Current Assets / Current Liabilities	Less than 0.75	0.75 to 1.0	More than 1.0	X	116.9%	113.4%
Internal financing	Net operating cashflow / Net capital expenditure	Less than 75%	75% to 100%	More than 100%	%	(58.3%)	97.8%
Indebtedness	Non current liabilities / Own sourced revenue	More than 60%	40% to 60%	40% or Less	%	26.6%	21.0%

- Net result – is revenue/income from transactions minus expenses from transactions, as a percentage of total revenue.**
 YTD actual result remains positive as total revenue is \$1.7m over budget and YTD expenditure which is \$7.8m lower than budget.
 The lower spend is driven by lower employee, materials & services, and financing costs.
- Adjusted underlying result – is the net result exclusive of grants and contributions. It is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives.**
 YTD actual is favourable to budget due to lower employee costs from vacancies and lower materials and services mostly related to timing of expenditure for infrastructure maintenance, facilities management, and disaster recovery.
- Liquidity - The ability to pay liabilities due within the next 12 months. A ratio of one or more means that an entity has more cash and liquid assets than short-term liabilities.**
 YRC has significantly more cash and liquid assets than current liabilities which means it can meet all its short-term financial obligations.
- Internal financing – The ability to finance capital works from net operating cashflow.**
 Actual result reflects lower net cash inflows as operating expenditure are higher than rate revenue collected, and grant funding received at this time of the year.
 The full year budget expects net capital expenditure to exceed net cash from operating activities.
- Indebtedness - The ability to repay debt due after the next 12 months from own-sourced revenue (Total revenue excluding grants and contributions).**
 YTD and full year budget reflect Council’s low level of debt compared to own-sourced revenue generated.

Comprehensive Income Statement

Income & Expense Statement

	December 2023				YTD December 2023				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Income												
Rates - General	14,537	14,243	295	2.1%	85,784	85,456	328	0.4%	170,912	171,678	766	0.4%
Rates - Special Rates and Charges	0	142	(142)	(100.0)%	4,173	851	3,322	390.4%	1,702	4,173	2,471	59.2%
Statutory Fees and Fines	68	242	(174)	(71.9)%	1,015	1,432	(418)	(29.2)%	2,865	2,507	(358)	(14.3)%
User Fees	223	539	(316)	(58.6)%	3,335	3,283	52	1.6%	6,533	6,977	444	6.4%
Contributions - Cash	322	261	61	23.3%	1,806	1,627	179	11.0%	3,245	3,054	(192)	(6.3)%
Grants - Capital	4,002	1,773	2,229	125.7%	10,572	10,639	(68)	(0.6)%	21,279	32,834	11,555	35.2%
Grants - Operating	1,311	2,176	(865)	(39.8)%	9,966	11,645	(1,680)	(14.4)%	21,935	24,111	2,176	9.0%
Other Revenue	222	159	63	39.7%	1,427	943	484	51.3%	1,967	2,191	225	10.2%
Interest	74	112	(38)	(33.7)%	1,620	670	950	141.9%	1,339	1,808	469	25.9%
Contributions - Non Monetary Assets	0	250	(250)	(100.0)%	0	1,500	(1,500)	(100.0)%	3,000	3,000	0	0.0%
Total Income	20,759	19,896	863	4.3%	119,698	118,047	1,651	1.4%	234,777	252,333	17,556	7.0%
Expenses												
Employee Benefits	6,013	7,634	1,622	21.2%	38,788	42,849	4,062	9.5%	82,981	82,215	766	0.9%
Materials and Services	7,685	7,799	114	1.5%	47,834	53,166	5,332	10.0%	99,882	103,412	(3,530)	(3.4)%
Bad and Doubtful Debts	0	5	5	100.0%	0	32	32	100.0%	65	66	(1)	(1.5)%
Depreciation and Amortisation	3,656	2,785	(870)	(31.2)%	17,814	16,713	(1,101)	(6.6)%	33,426	33,426	0	0.0%
Other Expenses	296	324	28	8.5%	4,844	3,926	(918)	(23.4)%	7,898	8,572	(674)	(7.9)%
Finance Costs (Interest)	268	121	(146)	(120.5)%	323	729	405	55.6%	1,457	947	510	53.9%
Total Expenses	17,918	18,670	752	4.0%	109,602	117,415	7,812	6.7%	225,708	228,637	(2,929)	(1.3)%
Net Gain/(Loss) on Disposal	76	0	76	0.0%	344	0	344	0.0%	0	(450)	(450)	100.0%
Net Surplus/(Deficit)	2,917	1,226	1,691	(137.9)%	10,440	632	9,807	1,551.6%	9,069	23,246	14,177	61.0%
Operating (Underlying) Surplus/(Deficit)	(1,133)	(574)	(560)	(97.6)%	(524)	(10,167)	9,643	(94.8)%	(12,530)	(9,588)	2,942	(30.7)%

The operating (underlying) result is calculated by removing capital related income (grants and contributions) from the comprehensive result to determine the true operating result of Council's operations.

Variations and Insights

Year to date performance against budget (>\$0.5m or 10%)

Variance type - Revenue	Variance Commentary	\$ impact	Comment
Rates – Special Rates & Charges	The favourable variance relates to funding for the Roads for Community Initiative recognised in October. The timing of the road sealing has varied to the budget, some SCS's have been struck this year when they were budgeted for 24/25 and some were delayed from 22/23.	\$3.3m favourable to budget	Permanent
Statutory Fees and Fines	The unfavourable mainly relates to food premises & surveillance program \$0.3m, the annual forecast is expected to be 14.3% (\$0.4m) lower than budget	\$0.4m unfavourable to budget	Permanent
Contributions - Cash	The favourable variance mainly relates to contribution received from Spring Lane Gruyere (\$0.3m), DCP Lilydale Quarry (\$0.13m) and offset by public open space contribution (\$0.3m)	\$0.2m favourable to budget	Permanent
Grants - Operating	<ul style="list-style-type: none"> Storm-Road Rehabilitation (\$2m lower than budget, we expected lots of works to be done in 23-24 at budget time, but these were completed in 2022-23). Age Friendly Communities (\$0.8m decline in grant revenue due to exiting services.) Economic Development (\$0.3m due to phasing of budget) <p>This is partially offset by</p> <ul style="list-style-type: none"> enterprise system (\$0.3m unbudgeted new grant to deliver Systems & Reporting) waste management (\$0.4m due to phasing of budget) Community Welling \$0.4m (emergency management \$0.2m & health, wellbeing \$0.1m, safer communities \$99k) township development (\$0.2m due to phasing of budget) 	\$1.7m unfavourable to budget	Permanent Permanent Timing Permanent Timing Timing Timing
Other Revenue	The favourable variance is revenue from storm insurance claims which have been paid this financial year.	\$0.4m favourable to budget	Permanent
Interest Income	Higher opening cash balance than anticipated and increase in interest rates	\$1.0m favourable to budget	Permanent
Contributions – Non-Monetary Assets	Variance to Budget due to phasing of the budget. Budgeting for material balances should be phased according to when receipts are likely.	\$1.5m unfavourable to budget	Timing

YTD Performance against Budget (>\$0.5m or 10%) – Expenses

Variance type - Expenses	Variance Commentary	\$ impact	Comment
Employee Benefits	Underspend in employee costs is due to unfilled vacancies across the organisation.	\$4.0m favourable to budget	Permanent
Materials and Services	<p>Favourable variance is largely influenced by lower year-to-date costs due to timing of expenditure in various areas:</p> <ul style="list-style-type: none"> Waste management (\$1.5m), mainly due to budget phasing issue Storms (\$5.5m), Significant expenditure variance is due to the estimate of total works following this storm being over-stated at the time the Budget was prepared. Landfill provision (\$1.2m) Cost of leasing (\$0.5m) <p>This is partially offset by</p> <ul style="list-style-type: none"> financial services (\$0.7m) across all programs (mainly for Temporary Staff, public liability insurance premiums and legal & debt recovery costs) information services (\$1.3m mainly for \$0.8m network maintenance due to an increase in online support services. \$0.3m Consultants from Systems & Reporting program which is fully funded by New Grant Funding received. \$0.2m Printing Equipment Lease for Office Automation) climate & nature (\$0.4m mainly for consultant) fleet operation (\$0.3m mainly for equipment & plant hire/lease) infrastructure services (\$0.6m mainly due to budget phasing) 	\$5.3m favourable to budget	<p>Timing</p> <p>Permanent</p> <p>Timing Permanent</p> <p>Permanent</p> <p>Permanent</p> <p>Permanent Permanent</p> <p>Timing</p>
Depreciation and Amortisation	\$1.1m over budget is due to revaluation conducted in 2022/23 with \$14m increment in property and \$29m increment in infrastructure.	\$1.1m unfavourable to budget	Permanent
Other Expenses	<ul style="list-style-type: none"> \$0.2m due to donation increase released after annual budget was completed. \$0.6m donation due to Budget phasing in Partnerships and Community Buildings. \$0.04m overspent in Donation paid to Yarra Ranges Regional Marketing, due to Budget not being phased. 	\$0.9m unfavourable to budget	<p>Permanent</p> <p>Timing</p> <p>Timing</p>
Finance Costs (interest)	Lower than budgeted borrowings during the year have resulted in significant interest savings.	\$0.4m favourable to budget	Permanent

Balance Sheet

Balance Sheet - as at Dec 2023				
\$'000	Actual YTD Dec 2023	Actual YTD Dec 2022	Adopted Budget (to June 2024)	Adopted Budget Prior year (to June 2023)
Current assets				
Cash and cash equivalents	42,767	39,353	75,886	66,330
Trade and other receivables	71,907	74,859	21,070	21,560
Other assets	12,561	15,170	10,000	5,418
Total current assets	127,235	129,382	106,956	93,308
Non-current assets				
Trade and other receivables	6,292	3,861	1,427	1,406
Investments in associates and joint ventures	2,550	3,561	3,561	5,400
Property, infrastructure, plant & equipment	1,370,195	1,295,977	1,284,842	1,259,485
Intangible asset	6,151	492	447	819
Right-of-use assets	17,848	3,349	16,697	1,303
Total non-current assets	1,403,036	1,307,241	1,306,974	1,268,413
Total assets	1,530,271	1,436,623	1,413,930	1,361,721
Current liabilities				
Trade and other payables	64,510	70,452	16,469	15,349
Unearned Income/Revenue			43,919	
Trust funds and deposits	24,578	19,122	12,000	43,270
Provisions	16,662	18,568	19,457	19,252
Interest-bearing loans and borrowings	1,250	1,194	640	5,856
Lease liabilities	1,856	1,694	1,815	427
Total current liabilities	108,856	111,030	94,300	84,154
Non-current liabilities				
Lease liabilities	16,213	1,944	15,536	867
Provisions	9,486	5,702	5,843	5,843
Interest-bearing loans and borrowings	640	3,111	18,912	31,165
Total non-current liabilities	26,338	10,757	40,291	37,874
Total liabilities	135,194	121,786	134,591	122,028
Net assets	1,395,077	1,314,837	1,279,339	1,239,693
Equity				
Accumulated surplus	638,882	603,052	666,871	599,089
Reserves	746,256	702,806	592,345	600,928
Current Operating Surplus/(Deficit)	9,939	8,978	20,123	39,676
Total equity	1,395,077	1,314,836	1,279,339	1,239,693
Working Capital	18,379	18,352	12,656	9,154

Statement of Cash Flows

Statement of Cash Flows - as at Dec 2023				
\$'000	Actuals YTD (Dec 2023)	Actuals YTD (Dec 2022)	Annual Budget (to June 2024)	Prior year (to June 2023)
CASH FLOWS FROM OPERATING ACTIVITIES				
Rates and charges	59,085	52,885	174,402	155,969
Statutory fees and fines	8,302	1,492	3,181	2,604
User fees (inclusive of GST)	3,425	6,599	7,253	(298)
Grants - operating (inclusive of GST)	9,910	12,701	33,112	29,890
Grants - capital (inclusive of GST)	450	18,753	21,478	65,759
Contributions (inclusive of GST)	1,842	1,759	3,245	4,114
Interest received	1,589	1,488	1,339	3,737
Trust funds and deposits	3,849	191	0	2,172
Other receipts (inclusive of GST)	1,475	726	2,542	1,946
Net GST refund	6,598	7,870	13,440	15,984
Materials and Services (inclusive of GST)	(71,134)	(60,674)	(82,772)	(112,754)
Employee costs	(39,097)	(42,376)	(109,314)	(73,967)
Other payments	(5,274)	(11,329)	(8,639)	(10,626)
Net cash provided by operating activities	(18,980)	(9,915)	59,267	84,530
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, infrastructure, plant and equipment	(32,555)	(33,541)	(60,595)	(69,078)
Proceeds from sale of property, infrastructure, plant and equipment	344	263	0	595
Investments in associates			1,839	1,011
Net cash used in investing activities	(32,211)	(33,278)	(58,756)	(67,472)
CASH FLOWS FROM FINANCING ACTIVITIES				
Finance costs	(193)	(138)	(1,010)	(231)
Proceeds from interest bearing loans and borrowings			18,912	0
Repayment of borrowings	(1,222)	(1,990)	(640)	(3,184)
Interest paid - lease liability	(258)		(447)	(157)
Repayment of lease liabilities	(1,019)		(1,967)	(1,510)
Net cash provided by (used in) financing activities	(2,692)	(2,128)	14,848	(5,082)
Net increase/(decrease) in cash and cash equivalents	(53,883)	(45,321)	15,359	11,976
Cash and cash equivalents at beginning of the financial year	96,650	84,674	60,527	84,674
Cash and cash equivalents	42,767	39,353	75,886	96,650

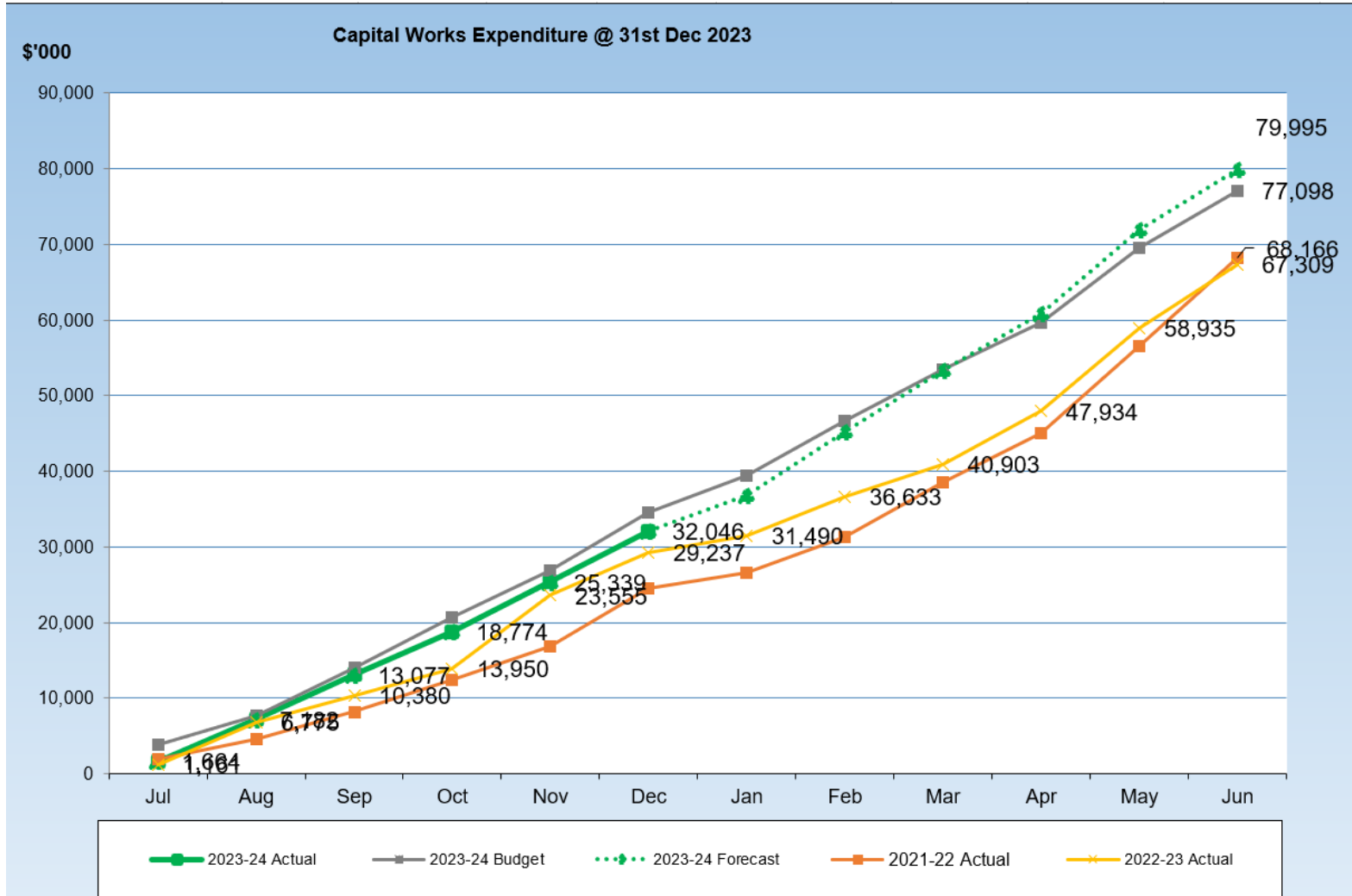
Statement of Capital Works

Capital Works Statement

	December 2023				YTD December 2023				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Expenditure												
Infrastructure - Asset Management	(21)	433	454	105.0%	3	2,598	2,595	99.9%	5,195	5,291	96	1.8%
Infrastructure - Bridges	99	21	(78)	(363.3)%	925	129	(797)	(620.1)%	257	2,036	1,779	87.4%
Infrastructure - Community & Recreation	844	510	(334)	(65.5)%	2,976	3,059	83	2.7%	6,117	9,057	2,940	32.5%
Infrastructure - Drainage	185	141	(44)	(31.4)%	729	844	115	13.6%	1,689	1,888	199	10.5%
Infrastructure - Footpaths & Cycleways	31	101	70	69.4%	646	606	(40)	(6.6)%	1,212	1,250	38	3.0%
Infrastructure - Off-street Carparks	44	39	(5)	(13.7)%	210	233	23	10.0%	467	467	0	0.0%
Infrastructure - Open Space	638	379	(259)	(68.3)%	4,312	2,276	(2,036)	(89.5)%	4,551	12,729	8,178	64.2%
Infrastructure - Roads	1,615	1,599	(17)	(1.0)%	9,806	9,593	(213)	(2.2)%	19,187	25,091	5,904	23.5%
P&E - Computers & Comms	205	103	(102)	(99.1)%	504	618	114	18.4%	1,236	2,171	935	43.1%
P&E - Fixtures, Fittings & Furniture	0	2	2	100.0%	0	9	9	100.0%	18	18	0	0.0%
P&E - Plant, Machinery & Equipment	363	171	(193)	(113.0)%	1,483	1,024	(459)	(44.8)%	2,048	3,356	1,308	39.0%
Property - Buildings	2,704	1,091	(1,613)	(147.9)%	9,775	6,544	(3,231)	(49.4)%	13,089	15,964	2,875	18.0%
Property - Land	0	2	2	100.0%	677	10	(667)	(6,669.6)%	20	677	657	97.0%
TOTAL	6,707	4,590	(2,117)	(46.1)%	32,046	27,543	(4,503)	(16.3)%	55,086	79,995	24,909	420.1%

Further detail on the performance of the Capital Program is provided in the separate quarterly capital works program report.

The graph below shows the adopted budget and actual Capital Works expenditure for 2023-24 in comparison to previous years.



Investments

Account Name	Balance \$'000	Applicable interest rate
Operating Cash Accounts		
Cash Management (Westpac Operating Account)	5,645.0	4.70%
Cash Management (Westpac Investment Account)	28,280.0	4.80%
Cash Management (Commonwealth)	1,342.0	0.01%
Term Deposits		
BOQ Term Deposit (matures 08/05/2024)	2,000.0	5.20%
MyState Curve Term Deposit (matures 29/11/2024)	3,500.0	5.45%
NAB Curve Term Deposit (matures 05/06/2024)	2,000.0	5.10%
Total Cash & Cash Equivalents	42,767.0	

Borrowings

Account Name	Original Loan Amount \$'000	Applicable interest rate	Current Liability \$'000	Non Current Liability \$'000	Total \$'000
Loan					
NAB (end 04/08/2024)	21,000.0	4.65%	1,250.1	639.6	1,889.7
Loan Balance			1,250.1	639.6	1,889.7

Debtor Management

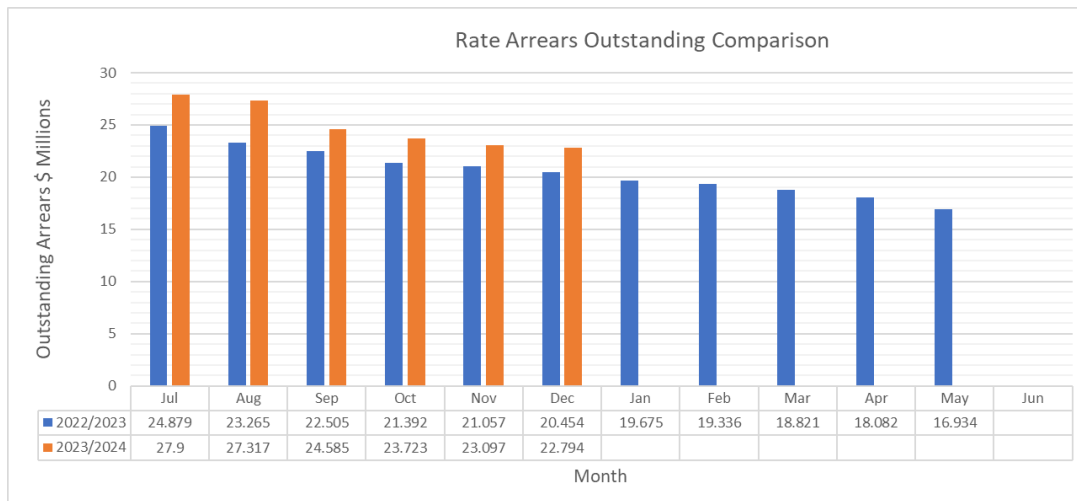
The Balance Sheet shows an amount of \$136.3 million for Receivables – Property.

The following table details the total rates outstanding on 31st December 2023.

Dec-24 \$'000		
Current Rates 23/24	113,561.8	
Current Interest	-	
Legal Costs on Current	17.3	113,579.0
Arrears (prior to 23/24)	20,171.5	
Interest on Arrears	2,198.8	
Legal costs on Arrears	424.1	22,794.5
Total rates & charges Outstanding		136,373.5

Current Rates Outstanding Comparison

The level of outstanding rate arrears measured in real terms (3.50% Rates Cap Increase) compared to the same period last year has increased by 8.32%.

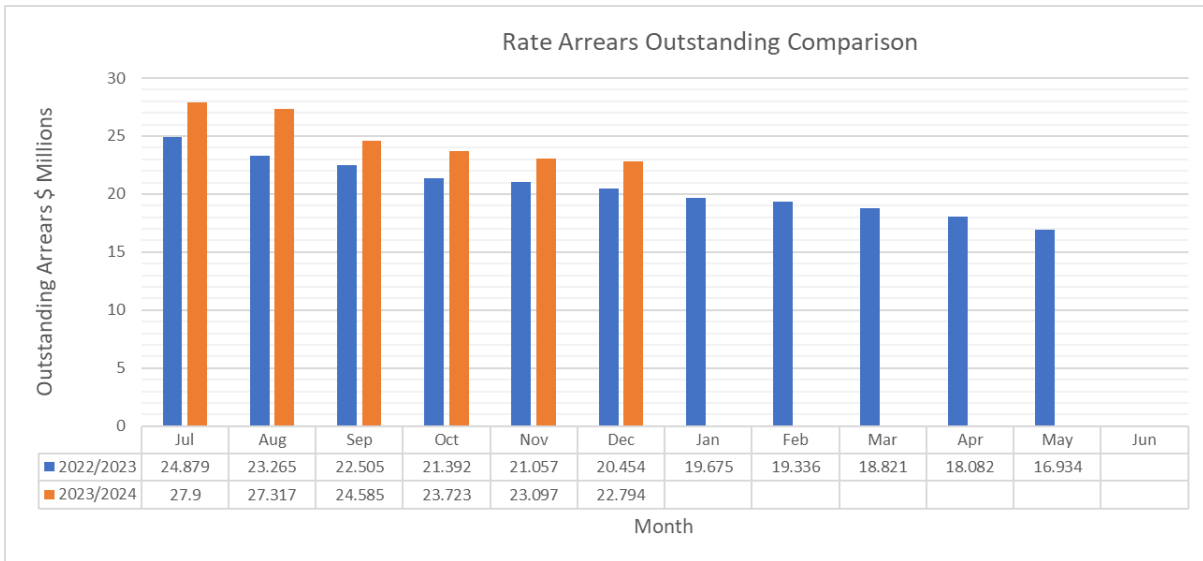


*When calculating real terms, the increases in waste service charges have not been considered, only the rate cap (increase in general rates) the increase in waste service charges is significant enough to impact this data.

*There are significant, concerning increases in both current and arrears amounts outstanding by the end of December compared to previous years. This coincides with less customers electing to pay via instalments in 2023/2024 compared to previous years. A more accurate reflection of rates paid will be presented at the end of February following both in full due date and 3rd instalment due dates.

Rate Arrears

The level of outstanding rate arrears measured in real terms (3.50% Rates Cap Increase) compared to the same period last year has increased by 6.39%



The following table details the status of the arrears and rate recovery methods.

Rate Recovery Category	Activity	Arrears \$'000	Interest on Arrears \$'000	Legal Costs \$'000	Total O/S	Number of Assessments	Current Including Assessment
Financial Hardship	Deferment in place	5,423.9	257.6	50.8	5,732.3	820	1,840.3
	Recurring Deferment in place	72.0	1.4	-	73.4	12	22.7
	Deferment recently cancelled	134.9	8.5	4.0	147.3	49	117.9
	Defaulted conditions on deferment	346.7	51.1	5.7	403.5	40	82.9
Hardship Being Reviewed	Standard deferment being reviewed	-	-	-	-	1	-
	Recurring Deferment being reviewed	-	-	-	-	-	-
Arrangements	Payment Plan in place	3,331.7	150.0	3.6	3,485.3	1,223	2,638.8
	Payment Plan in place with Credit Solutions	1,965.2	188.6	20.6	2,174.4	430	1,043.9
Receivership		91.5	23.3	0.8	115.6	16	20.8
Auction (s181)		61.7	73.9	3.0	138.6	4	4.2
Sale Pending		168.6	65.9	8.7	243.2	136	96.1
Probate Pending		65.2	18.8	0.8	84.8	19	42.6
Legal Action Avenues Exhausted		401.0	224.7	27.5	653.1	23	46.3
Legal Action Continuing		46.9	20.4	5.2	72.5	4	7.4
Legal Action Pending		311.9	91.7	23.4	426.9	27	66.1
Complaints filed		1,688.4	417.8	191.1	2,297.4	168	404.5
Sub Standard Vacant		-	-	-	-	-	-
Due date extended - Supps		-	-	-	-	-	-
Totals		14,109.6	1,593.5	345.1	16,048.3	2,972	6,434.6

*No significant changes to rates recovery activities during December, as there were no due dates for rates and charges to prompt customers to seek rates assistance. This will increase substantially through January (following Courtesy reminders), February (leading to in full payment date) and March to June (as recovery processes begin)

Supplementary Valuations

On 31st Dec 2023, CIV valuations across all properties has increased by \$254.7m since 1st July 2023.
The rates charge prediction for 2024/2025 based on an increase of 0% in revaluations and 2.75% in the rates cap is \$145.8m.

Rate Type	Start of Year			31/12/2023*			Movement (Supps)		2024/2025 Prediction**
	Assessments	CIV \$'000	Rate Value \$'000	Assessments	Value \$'000	Rate Value \$'000	Assessments	Value \$'000	Rate Value
Residential	62,059	49,032,700.0	122,920.1	62,059.0	49,319,715.0	123,639.6	237	287,015.0	127,039.7
Vacant Sub Standard	329	13,427.0	33.7	329.0	13,363.5	33.5	0	(63.5)	34.4
Farmland	1,599	3,054,752.5	5,360.5	1,599.0	3,010,277.5	5,282.4	(35)	(44,475.0)	5,427.7
Commercial	2,334	2,245,992.5	8,445.8	2,334.0	2,250,337.5	8,462.2	6	4,345.0	8,694.9
Industrial	1,074	1,154,490.0	4,341.3	1,074.0	1,162,375.0	4,371.0	10	7,885.0	4,491.2
Rec & Culture	13	52,500.0	79.0	13.0	52,500.0	79.0	0	0.0	81.1
	67,408	55,553,862.0	141,180.4	67,408.0	55,808,568.5	141,867.7	218	254,706.5	145,769.0

*Rate Values for December 2024 is used to indicate base rates in 2024/2025 year, it is not an indication of rates charged during 2023/2024.

**2024/2025 estimates include a general increase of 0% for properties and 2.75% for the rates cap

Capital Expenditure Program Quarterly Report

For the period 1 July 2023 to 31 December 2023

1. Executive Summary

1.1. Financial Summary

This report provides a brief overview of the published 2023-24 Capital Expenditure Program (CEP) and funds carried forward from 2022-23. Throughout the financial year, occasional approved changes to the CEP Budget are made, moving funds between projects or adding funds from various funding sources. In particular, this can occur when external funding is announced during the current year.

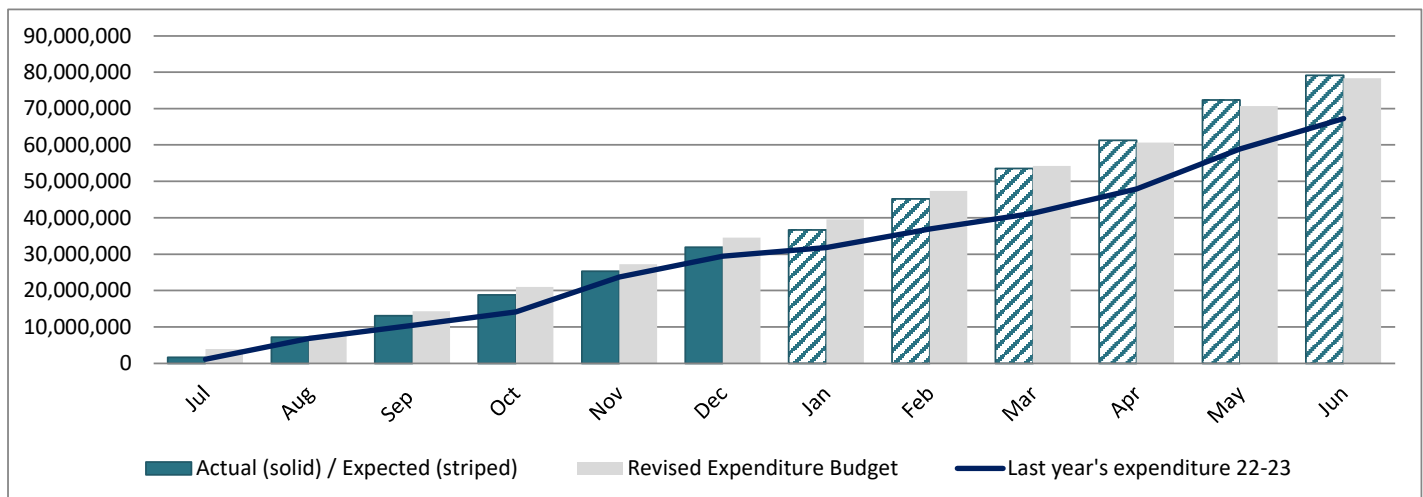
Approved 2023-24 Capital Expenditure Program (CEP) Budget		\$'000
Published Capital Budget Allocation: Council contribution		31,785
Published Capital Budget Allocation: external income		23,301
Carried forward from 2022-23 to 2023-24		20,943
Adopted Capital Expenditure Program Budget		76,029
Additional carried forward from 2022-23 to 2023-24		1,041
Capital Expenditure Program budget at 1 July 2023		77,070
Mid-year adjustments, including additional income <i>expected</i>		1,243
Expenditure Target		77,098
Capital Expenditure Program Budget (Revised Budget)		78,313
Expected to be spent by the end of the financial year		79,995
YTD Actual Spend to 31 December 2023		31,924
Percentage of the Revised Budget Expected to be Spent¹	✓	102%

¹ Status:

- ✓ **90% or more** of the revised budget is expected to be spent
- ⚠ **Between 80% and 90%** of the revised budget is expected to be spent
- ✗ **Less than 80%** of the revised budget is expected to be spent

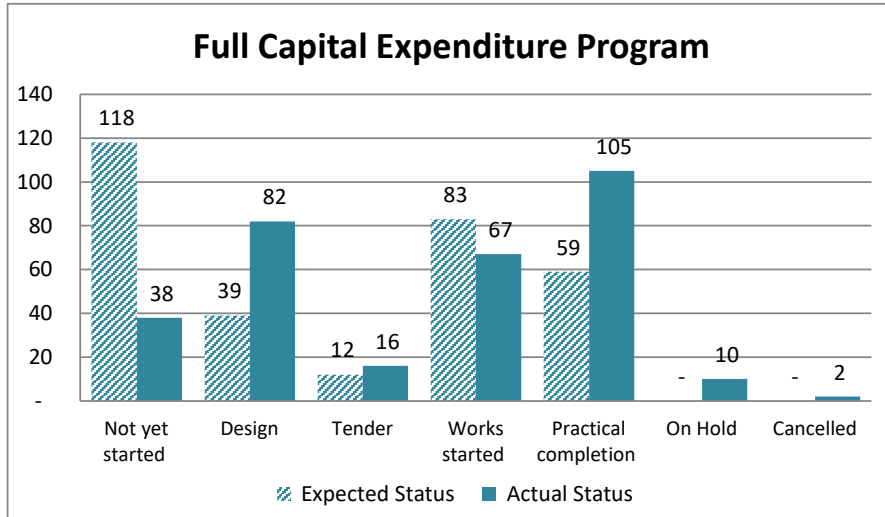
The following graphs show the *YTD Actual Spend*, *Expected Spend* and last year's expenditure. As with previous years, the expenditure is anticipated to increase as the year progresses. Further detail provided in the sections below.

Full Capital Works Program - Actual Spend and Expected Spend -vs- Last Year's Spend



1.2. Program Status Summary

The following graph shows the progression of projects through the various project phases.



Full program - phases	
Not yet started	38
On Hold	10
Consultation / design	82
Tendering	16
Works started	67
Practical completion	105
Cancelled	2
Total	320
Ahead of schedule	119
On schedule	153
Behind schedule	48
Total	320
On/ahead of schedule ¹	85%

¹ Status:

- ✓ 90% or more of all projects in this program are expected to their planned milestone dates* (planned in August 2023)
- ⚠ Between 80% and 90% of projects in this program are expected to meet their planned milestone dates* (planned in August 2023)
- ✗ Less than 80% of projects in this program are expected to meet their planned milestone dates* (planned in August 2023)

* as per information given by Project Managers.

2. Project Financial Summary

	Adopted Annual Budget excl. carry forward	Revised Budget	Expected spend	YTD Actual spend	Anticipated carry f'ward to next year	Expected Saving/ (Overspend)	Status ¹
PROPERTY	13,109	16,515	16,641	10,452	(396)	295	
Land	0	677	677	677	0	0	
Land New / Improvements	0	677	677	677	0	0	✓
Buildings	13,109	15,838	15,964	9,775	(396)	295	
Buildings Rehab / Renewal	3,248	4,045	3,966	1,142	98	(20)	✓
Buildings New / Improvements	9,861	11,793	11,998	8,633	(494)	314	✓
PLANT & EQUIPMENT	3,302	5,782	5,545	1,987	237	0	
Plant, Machinery & Equipment	2,048	3,461	3,356	1,483	105	0	
Plant & Equipment Renewal	2,048	2,048	2,098	1,276	(50)	0	✓
Plant & Equipment New / Improvements	0	1,413	1,258	207	155	0	!
Fixtures, Fittings & Furniture	18	18	18	0	0	0	
FFF Rehab / Renewal	18	18	18	0	0	0	✓
Computers & Telecommunications	1,236	2,303	2,171	504	132	0	
ICT New / Improvements	1,236	2,303	2,171	504	132	0	✓
INFRASTRUCTURE	38,675	56,031	57,809	19,485	(1,545)	(82)	
Roads	19,187	25,472	25,091	9,696	643	(142)	
Roads Rehab / Renewal	10,159	9,583	9,864	3,089	(450)	145	✓
Roads New / Improvements	917	2,477	2,364	1,300	351	(287)	✓
Roads Traffic Management & Other Works	215	342	342	131	0	0	✓
Roads for the Community Initiative	7,896	13,069	12,522	5,176	742	0	✓
Bridges	257	2,036	2,036	913	0	0	
Bridges Rehab / Renewal	257	1,288	1,288	913	0	0	✓
Bridges New / Improvements	0	749	749	0	0	0	✓
Footpaths & Cycleways	1,212	1,288	1,250	646	20	18	
Footpaths Rehab / Renewal	601	601	619	409	0	(18)	✓
Footpaths New / Improvements	611	687	631	238	20	36	✓
Drainage	1,689	2,001	1,888	729	129	(16)	
Drainage Rehab / Renewal	255	255	255	209	0	0	✓
Drainage New / Improvements	1,434	1,746	1,633	521	129	(16)	✓
Recreational, Leisure & Community Facilities	6,617	7,117	9,057	2,972	(1,866)	(56)	
Playspace Rehab / Renewal	800	1,227	1,221	483	0	6	✓
Playspace New / Improvements	2,453	2,599	4,465	1,194	(1,866)	0	✓
Sports Reserves Rehab / Renewal	2,202	2,204	2,161	1,196	0	61	✓
Sports Reserves New / Improvements	1,162	1,087	1,210	99	0	(123)	✓
Parks, Open Space & Streetscapes	4,051	12,244	12,729	4,291	(471)	(2)	
Open Space Rehab / Renewal	576	576	576	261	0	0	✓
Open Space New / Improvements	100	1,318	1,345	1,129	(45)	7	✓
Townships New / Improvements	837	2,535	2,250	788	311	(4)	!
Trails Rehab / Renewal	1,016	1,016	1,016	277	0	0	✓
Trails New / Improvements	1,522	6,799	7,542	1,836	(738)	(5)	✓
Off-street Carparks	467	467	467	210	0	0	
Off-street Carparks Rehab / Renewal	367	367	367	210	0	0	✓
Off-street Carparks New / Improvements	100	100	100	0	0	0	✓
Other Infrastructure	5,195	5,406	5,291	27	0	115	
Infrastructure - Project Management	5,042	5,042	5,042	0	0	0	✓
Infrastructure - Asset New / Improve Reserve	153	364	249	27	0	115	✗
Projects total:	55,086	78,328	79,995	31,924	(1,703)	212	

¹ Status:

- ✓ 90% or more of the revised budget is expected to be spent
- ! Between 80% and 90% of the revised budget is expected to be spent
- ✗ Less than 80% of the revised budget is expected to be spent

3. Items for Consideration

3.1. Significant Capital Expenditure Transfers

From time to time, it is necessary to transfer all or part of a budget from one project to another.

Reasons could include work program budgets being distributed to programmed projects or newly created, previously unanticipated projects being funded. All budget transfers valued \$250,000 and over require the approval of the Director, in coordination with EO - Project Management Office. If the value is \$500,000 or over and is transferred from one distinct project to another they require Council approval.

Any budget transfers that represent a significant change to the CEP Budget also require Council approval. Such changes may include the reassignment of budgets for cancelled projects published in the Capital Expenditure Program, the transfer of project funds carried forward from the previous year to a different project, or the transfer of funds allocated for renewal works to non-renewal projects. Transfers under the approval threshold have been included for information only.

		Previous budget	Transfer amount	New budget
From:	200300 - Council Building Minor Works	\$2,583,000	-\$1,850,000	\$733,000
To:	208569 - WP CBMW - Yarra Junction Bowls Club	\$0	\$300,000	\$300,000
To:	208570 - WP CBMW - Lilydale Tennis Club	\$0	\$400,000	\$400,000
To:	208571 - WP CBMW - Lilydale Bowls Club	\$0	\$100,000	\$100,000
To:	208572 - WP CBMW - Charles Street Preschool, Mooroolbark	\$0	\$250,000	\$250,000
To:	208574 - WP CBMW - Mt Evelyn Library and Community Room	\$0	\$150,000	\$150,000
To:	208577 - WP CBMW - St Martin's Church Hall	\$0	\$200,000	\$200,000
To:	208578 - WP CBMW - Belgrave South Netball Pavilion	\$0	\$300,000	\$300,000
To:	208579 - WP CBMW - Psychic Studio, Warburton	\$0	\$150,000	\$150,000

Distribution of Council Building Minor Works budget into individual projects, allowing project progression tracking and budget transparency. Remaining \$733k allocated to completion of 2022-23 projects.

		Previous budget	Transfer amount	New budget
	207558 - Waratah Ave, Belgrave	\$245,000	-\$245,000	\$0

Budget allocation from Roads for Community Initiative funding has been removed, with construction for this road no longer going ahead due to Federal Government funding cuts. Design budget allocated with transfer below. Construction funds allocated in 2024-25 and project name updated to Arbor Road, Belgrave to reflect works location.

		Previous budget	Transfer amount	New budget
From:	208509 - Station Street, Coldstream - Drainage	\$400,000	-\$219,046	\$180,954
To:	207980 - Commercial Road, Mount Evelyn, Upper, Stage 1 - Drainage	\$235,809	\$111,146	\$346,955
To:	207981 - Commercial Road, Mount Evelyn, Lower, Stage 2 - Drainage	\$427,000	\$28,900	\$455,900
To:	208568 - Marna Street, Healesville - drainage outfall works	\$0	\$55,000	\$55,000
To:	207558 - Waratah Ave, Belgrave - drainage	\$0	\$24,000	\$24,000

Budget allocation for Station St, Coldstream reduced due to prolonged delays expected with legal issues regarding title boundaries. Further budget will be sought in future years following confirmation of project viability. Budget to be reallocated to support other drainage projects: Commercial Rd, Mt Evelyn - Stage 1 & 2 for project variations and cost escalations; Marna St, Healesville for construction of drainage assets required for developer construction and; Waratah Ave, Belgrave for drainage design replacing RFCI funding due to Federal Government funding cuts.

		Previous budget	Transfer amount	New budget
From:	208536 - Blacksmiths Way, Belgrave	\$200,000	-\$200,000	\$0
To:	206840 - Township Improvements, Belgrave	\$170,000	\$200,000	\$370,000

Consolidation of funds for Township improvements identified in the Urban Design Framework, including principle pedestrian networks and streetscape improvements.

		Previous budget	Transfer amount	New budget
From:	208565 - Pedestrian steps - Pauline Avenue and Hakea Street, Tecoma	\$120,000	-\$60,000	\$60,000
To:	208567 - South Avenue, Mt Evelyn	\$0	\$20,000	\$20,000
To:	Asset Investment Fund 2024-25		\$40,000	

Quote for rehabilitation of pedestrian steps between Pauline Ave and Hakea St, Tecoma was lower than anticipated. South Ave, Mt Evelyn was brought onto the 2023-24 program as a high risk project which required \$20k to rectify the road. Remaining budget will be returned to the Asset Investment Fund for future year allocation.

4. Carry Forwards & Forward Spends

Projects that have been delayed and are impacting on anticipated expenditure will request funds to be carried forward for use in the next financial year. Early identification of *carry forward* funds ensures the optimum utilisation of cash resources.

Forward spends occur when capacity becomes available to make an early start on a future year's project.

	Carry Forward	Forward Spend	Total Carry Forward to next year
	Budgets to be carried forward to 2024-25	Future year budgets to be brought forward from 2024-25 for spending in 2023-24	
<i>Figures in \$'000</i>			
Buildings Rehab / Renewal	100	-2	98
Buildings New / Improvements	620	-1,113	-494
Plant & Equipment Rehab / Renew	0	-50	-50
Plant & Equipment New / Improvements	155	0	155
ICT New / Improvements	132	0	132
Roads Rehab / Renewal	0	-450	-450
Roads New / Improvements	351	0	351
Roads for the Community Initiative	892	-150	742
Footpaths New / Improvements	20	0	20
Drainage New / Improvements	151	-22	129
Playspace New / Improvements	0	-1,866	-1866
Open Space New / Improvements	0	-45	-45
Townships New / Improvements	320	-9	311
Trails New / Improvements	160	-898	-738
	2,901	-4,604	-1,703

Projects with expenditure carry forward amounts in excess of \$100k

Project Number	Project	Carry Forward to next year
<i>Figures in \$'000</i>		
208472	GSF Climate Resilient Buildings for our Community	500
208353	Arthurs Road, Chum Creek - Roads New SCS	351
208102	Nation Road, Selby - RFCI	305
206840	Township Improvements, Belgrave	300
208147	Cedar Court Road Group, Monbulk - RFCI	282
208475	Yarra Valley Trail - Stage 2A	160
208465	Biochar - Stage 1	156
290103	YRConnect	132
208509	Station St, Coldstream - Drainage	131
208488	WP CBMW - Kallista Community House	100

Projects with expenditure forward spend amounts in excess of \$100k

Project Number	Project	Forward Spend
<i>Figures in \$'000</i>		
207566	Chirnside Urban Park Playspace	-1866
207790	Community Sports Pavilion, Pinks Reserve, Kilsyth	-928
206982	Mountain Bike Destination, Warburton	-571
208086	Gruyere Road, Gruyere (Harvey Cl - Darling Rd) - Roads Rehab	-363
207144	Yarra Valley Trail	-327
208467	PAC Climate Resilient Buildings for our Community	-185
207857	Victoria Road Group, Seville - RFCI	-150

Glossary

Annual Budget: The annual published budget of capital projects for delivery each year. It complies with the State Government reporting guidelines and so, excludes the non-capital components of projects. The carry forward amounts captured are estimates only as they were formed at the time the budget was set, not the end of the financial year.

Approved Changes: Throughout the year, formally approved changes to the Capital Works Program budget can include budget transfers from one project to another, funds from a future year's Capital Works Program brought forward for expenditure this year, or additional external funds identified for inclusion in the budget.

Capital Expenditure Program (CEP): Allocated funding for renewal, improvement or new project works.

Capital Expenditure Program (CEP) Budget: This comprises of the Capital Expenditure Program adopted by Council, any funds carried forward from the previous financial year, and any approved changes made to the Budget during the financial year.

Carry Forward: A component of the CEP Budget brought to the next financial year. This becomes part of the next financial year's CEP

Current Year Projects: Typically projects delivering rehabilitation and renewal works on existing assets, which can be achieved in a single year. These projects may or may not include a community consultation and / or a design phase.

Expected Saving/(Overspend): The expected final financial position of a project, which equals Budget less Forecast less Carry Forward.

Expenditure Target: Set before the start of the financial year, this represents the agreed upon Capital Works expenditure for the year. The target equals the CEP Budget less funds held over for works during future years.

Forward Spending: This is when capacity becomes available to make an early start on a future year's project. Early spending requires the Capital Works Management Steering Committee approval.

Income Recognition: Income will be recognised in line with project expenditure. Income cannot be carried forward to a future year, it will remain on the balance sheet until project expenditure occurs. For this reason, a project that has external funding which is not delivered in a current year may not show as having carry forward even though the project is delayed to a future year.

Held Over: Any project specific funds not expected to be spent until a following financial year, do not form part of the Expenditure Target.

Major Projects: These run over multiple years and may involve detailed community consultation and design phases. These early phases may take place in the year before construction.

Milestone Dates: Set prior to the start of the financial year, these represent the start of key phases during the life of a project. (Also see

Multi-year Projects: These projects deliver improvements, upgrades or expansions on existing assets or build new assets. They typically include a design phase, which may occur in the year before construction. Construction works may run over more than one financial year.

Phases: Throughout the life of a project, there may be various phases, as explained below.

Consultation/Design: formal investigation, design or consultation is underway

Tender Phase: tender/quote is currently being sought or evaluated

Works/Construction Started: work has begun on site

Practical Completion: all works except minor defects or final seals are complete and the deliverable is ready for use

Finalisation: the project is complete, all monies owing have been paid and the defect liability period has passed

Program Status Overview: Successful delivery of a project to schedule involves meeting *milestone dates* set prior to the commencement of the financial year. Project *milestone dates* represent the start of four project *phases*: *consultation/design*; *tender phase*; *works started*; and *practical completion*. Project complexity is taken into consideration when establishing *milestone dates*. A project which falls behind in an earlier milestone may still meet a later *milestone date* and then be on schedule again.

Revised Budget: The Revised Budget is the current total expenditure budget for works to be completed in the current financial year. It includes the adopted budget, final carry forward from the previous financial year, external grants made within the year and any budget adjustments or transfers approved within the financial year.

Work Program: A lump sum budget for a group of projects of the same type, such as minor drainage works. Projects undertaken from Work Programs are generally single year projects. Very minor projects may be funded directly from the block fund, or part of the budget may be transferred out from the block fund to a programmed project during the financial year.

YTD Actual Spend: The amount of funds expended year to date. Page 42

**ROAD DISCONTINUANCE AND TRANSFER PART ORMOND STREET
(ABUTTING 2 EDWARD STREET, HEALESVILLE)**

Report Author: Property & Project Officer
Responsible Officer: Director Built Environment and Infrastructure
Ward(s) affected: Ryrie;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council Meeting that is open to the public.

SUMMARY

It is proposed Council use its powers under *Section 206 (1) and Schedule 10 of the Local Government Act 1989* to discontinue the remaining portion (721m²) of unused road reserve known as Ormond Street (abutting 2 Edward Street, Healesville) shown in Attachment 1 & 2.

The portion of road is not constructed or utilised for road purposes. It has not been identified as being reasonably required for public use now or into the future.

Upon removal of the road status, the land will vest in Council. After considering the guidelines for *Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land* it is proposed the sale of land be referred to Council's Property and Facilities team to coordinate the sale of land on the open market as a vacant residential lot. This sale option has the potential to provide the highest possible return on the land asset which meets the guidelines.

The road discontinuance proposal is fully supported by the relevant Council departments.

Public Notice has been given and two formal submissions of objection were received.

RECOMMENDATION

That Council having given notice of its intention to discontinue the remaining 721m² road portion known as Ormond Street (abutting 2 Edward Street, Healesville) and having invited public submissions and having considered the submissions received, and being of the opinion that this road portion is not reasonably required for public use:

- 1. Discontinue the portion of road.***
- 2. Direct that notice of the discontinuance be published in the Government Gazette.***
- 3. Direct that the land from the discontinued road portion be referred to Council's Property and Facilities team to investigate sale of land on the open market which would require further public consultation in accordance with Section 114 of the Local Government Act 2020.***
- 4. Direct that any necessary documentation to give effect to the vesting/transfer of land be signed and sealed.***

RELATED COUNCIL DECISIONS

9 May 2017 - Part Discontinuance Ormond Street Healesville (abutting 11 and 13 Newgrove Road, Healesville).

DISCUSSION

Purpose and Background

The portion of road reserve is identified as part Ormond Street, Healesville on LP 16311 (see attachment 4).

The road is not listed as a public road on Yarra Ranges Shire Council's Road Register and is not a Council maintained road.

The portion of road is not constructed or utilised for road purposes. It has not been identified as being reasonably required for public use now or into the future.

This report will consider whether the road reserve is reasonably required for public use or not. It will also consider sale options if the land is to be discontinued.

In 2017 the southern portion of Ormond Street (abutting 11 and 13 Newgrove Road, Healesville) was discontinued, with a half width portion sold to each of the abutting owners (see attachment 2 & 3).

The remaining unused road portion proposed for discontinuance is 15.25m wide, 46.5m long and 721m².

The sizeable dimension of the land indicates it could be utilised and sold as a separate and developable parcel which could generate interest on the open property market.

Typically, a road discontinuance proposal includes dimensions that do not meet the requirements of a separate and developable parcel. In such cases, the only option is to sell the land to abutting owner/s via private treaty, based on a professional land valuation and a requirement that the land be consolidated with their existing title. In such cases, the before and after method of valuation of the abutting owner's property is utilised.

The abutting owner sought to purchase the remaining portion of unused road reserve known as Ormond Street, Healesville. This proposal would involve the land being sold via private treaty to the applicant based on a land valuation (using the before and after method) and the land being consolidated with the applicant's property.

In May 2023 the proposal was further assessed, which identified that the land (road reserve proposed to be discontinued) had the potential to be sold as a separate and developable block. To sell the land on the open market would yield the highest return on the land asset and extend the opportunity to all in the wider community to participate in the sales process.

The applicant was advised that a future report for Council consideration would likely recommend sale of the land on the open market rather than private treaty to them. A report to Council would outline all the sale options and that they could make a public submission on the revised proposal.

The applicant was also advised a land valuation based on the land being sold as a separate and developable block (vacant residential land) is substantially higher than the valuation to sell the land and consolidate it with their existing property. The reason being is that two different valuation methods are employed.

Options considered

To discontinue the remaining portion of Ormond Street, Healesville based on whether it is reasonably required for public use for road purposes or not.

If the road is to be discontinued (road status is removed) the options for the land include -

- Council retain the land for the short or long term.
- Council sell the land by private treaty to the abutting owner based on the before and after method of valuation. This method values the difference in property value with the additional land to be consolidated with the applicant's property.
- Council sell the land by private treaty to the abutting owner based on the direct comparison method of valuation. This method values the land at its highest potential as a vacant residential block and is based on recent sales of similar blocks in the area.

- Council make the land available for sale on the open market as a vacant residential block with the potential to yield the highest sale price. The sale would require further public consultation in accordance with Section 114 of the Local Government Act 2020 and a further report would be considered by Council.

Recommended option and justification

It is proposed that Council use its powers under *Section 206 (1) and Schedule 10 of the Local Government Act 1989* to discontinue the unused road portion (721m²) known as part Ormond Street (abutting 2 Edward Street, Healesville) and consider the sale of land on the open market.

The unused road is unconstructed and not listed as a public road on Council's Road Register. The road portion has not been identified as being reasonably required for public use now or into the future and therefore it is recommended the road be discontinued.

The recommended sale option is based on the *Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land*, and its guidelines and principles which Council should consider when discontinuing roads and selling land.

One of the general principles is that sales, exchanges and transfers of land should be in the best interests of the community and provide the best result, both financial and non-financial, for the council and the community.

The sale option that best fits the above criteria would be making the land available for purchase on the open market.

FINANCIAL ANALYSIS

There is an existing budget to cover the costs associated with the proposal.

The recommended option to sell the land on the open market is based on the land being a separate and developable block. This option has the potential to yield the best financial return on the sale of land if the road is to be discontinued.

APPLICABLE PLANS AND POLICIES

Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land, provides the guidelines and principles by which Council should consider when discontinuing roads and selling land.

RELEVANT LAW

Council has powers under *Section 206 (1) and Schedule 10 of the Local Government Act 1989* to discontinue roads and transfer the land.

Council, when considering road discontinuances is required to advertise the proposal and invite submissions from the public as prescribed in *Section 223 of the Local Government Act 1989*.

Section 114 of the Local Government Act 2020 applies if the sale of land is referred Council's Property and Facilities team for the consideration of sale options on the open market. This would require additional public consultation be undertaken at least four weeks prior to the sale of land.

SUSTAINABILITY IMPLICATIONS

Economic Implications

Economic impacts have been considered. The proposal will generate little economic impacts.

Social Implications

Social impacts have been considered. The proposal will generate little social impacts.

Environmental Implications

Environmental impacts have been considered. In this circumstance there are none that apply at this stage.

CONSULTATION

Internal Consultation

The proposal was referred to relevant Council departments for comment.

There was no objection to the proposal and the road portion has not been identified as being reasonably required for public use as a road now or into the future.

There are no Council assets within the road reserve and therefore no requirements for any Council easements on the road portion at this stage.

Service Providers

There are no assets situated within the road reserve and no requirement for any easements at this stage.

Abutting Owners

A letter was mailed to the surrounding property owners outlining the proposal and inviting comment.

COMMUNITY ENGAGEMENT

Pursuant to *Section 223 of the Local Government Act 1989*, Council gave public notice of its intention to discontinue the road portion abutting 2 Edward Street, Healesville and invited public submissions as to whether or not the proposal to discontinue should proceed.

Public notices were published in the Mail newspaper group on 11 October 2022. In addition, the public notice was placed on Council's website for the duration of the 28-day consultation period.

Submissions Received

The details of the submitters concerned have been excluded from this report in compliance with the *Privacy and Data Protection Act 2014*.

A full copy of public submissions has been circulated to Councillors in a Council Forum report 21 November 2023 for their consideration.

Public Submission 1

The submission objects to the proposed road discontinuance.

Summary-

The concerns outlined in the submission relate to issues with existing drainage and road services in the western and unsealed end of Edward Street, Healesville. The submitter objects to the proposal based on concerns around property development which could cause additional pressure on existing services. They have "urged that no further development be enabled until an integrated plan is made to fix these issues, including maintenance and upgrades. A budget should be set aside before the sale of this council asset is made".

Comment on public submission 1

- Stormwater
 - Council's Stormwater team has commenced a catchment analysis and investigation in the area. Any upgrades/ improvements required in the area will be referred to Councils works program. Any development within Edward Street, Healesville will require Council's planning and engineering approval. Council guidelines require the applicant to demonstrate that the proposed development will not make the area any worse in terms of stormwater run - off. If a future application for development is made, the impacts of drainage will be considered and if applicable the creation or upgrade of drainage assets and easements may form part of the planning permit conditions.
- Roads for the Community
 - Edward Street, Healesville did not receive majority landowner support for construction as a Special Charge Scheme under the Roads for

Community Program in 2021. Nearby both Miller Street and Montpelier Street, Healesville received majority support and were constructed in 2022, these works included road construction and drainage improvements that were jointly funded by landowners and Council.

- General
 - The primary test of whether to discontinue a road or not is based on whether it is reasonably required as a road for public use. The concerns raised in the submission are not directly related to road use. It is appreciated the submitter has concerns with existing drainage and services in the area and the additional pressure of any future development.

Public Submission 2

The submission objects to the recommendation that the land from the discontinued road be sold on the open market. The submitter would like to purchase the discontinued portion of road by private treaty based on the before and after method of valuation.

Comment on Public Submission 2

- The sale option recommended in this report is based on Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land, and its guidelines and principles which Council should consider when discontinuing roads and selling land.
- One of the general principles is that sales, exchanges and transfers of land should be in the best interests of the community and provide the best result, both financial and non-financial, for the council and the community.
- The sale option that best fits the above criteria would be making the land available for purchase on the open market.
- Often the land forming part of a road discontinuance proposal is not large enough to be sold as a separate lot and the only option is to sell the land to an abutting owner via private treaty and consolidate the land with their property.
- However, assessment of this site identifies potential to be sold as a separate and developable block. To sell the land on the open market would yield the highest return on the land asset and extend the opportunity to all in the wider community to participate in the sales process.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

No collaboration with other Councils, Governments or statutory bodies was sought in relation to Council's proposal to discontinue and transfer the road portion.

RISK ASSESSMENT

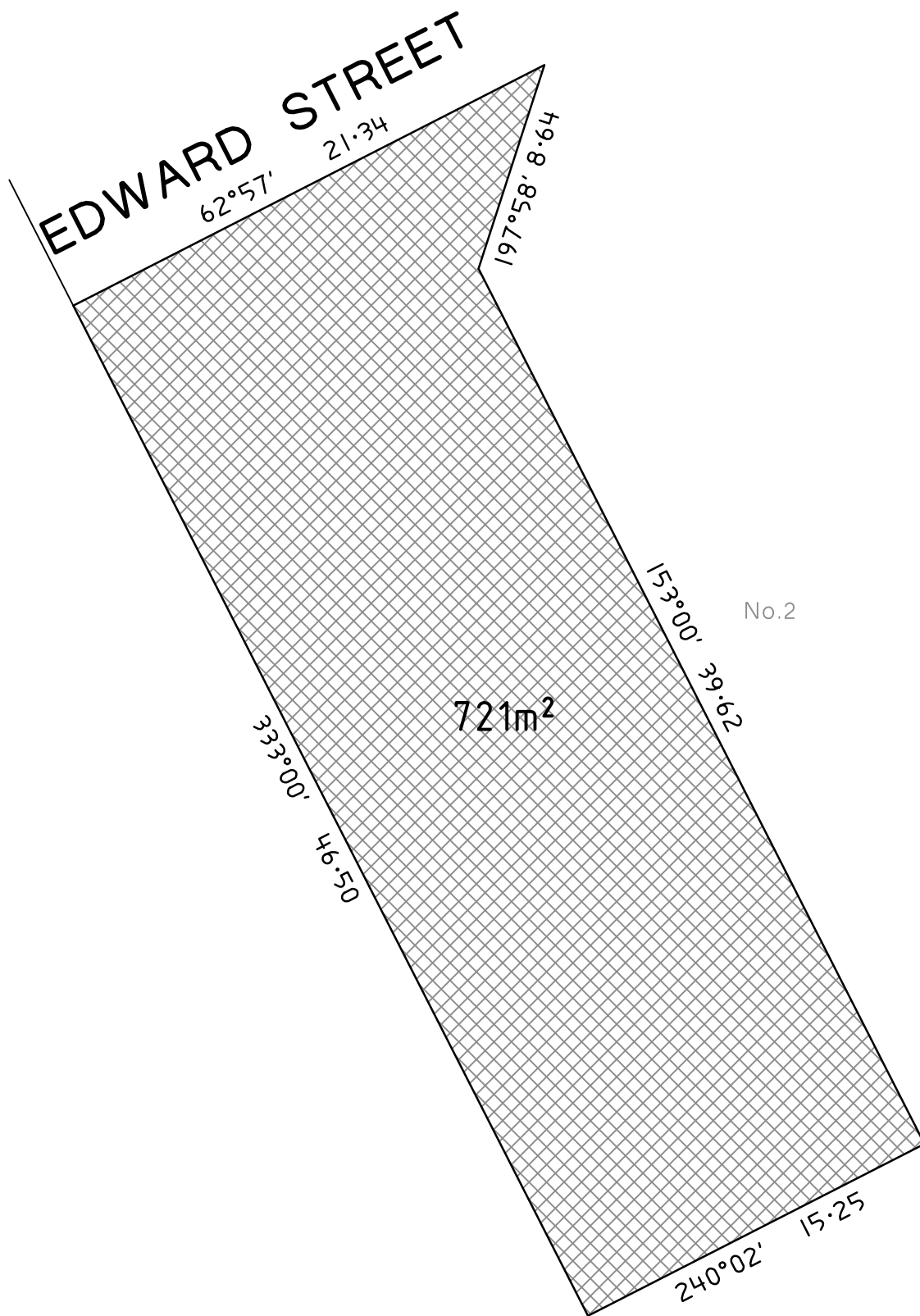
There are no identifiable risks associated with the proposal.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Title Plan
2. Aerial Plan
3. Locality Plan
4. Plan of Subdivision



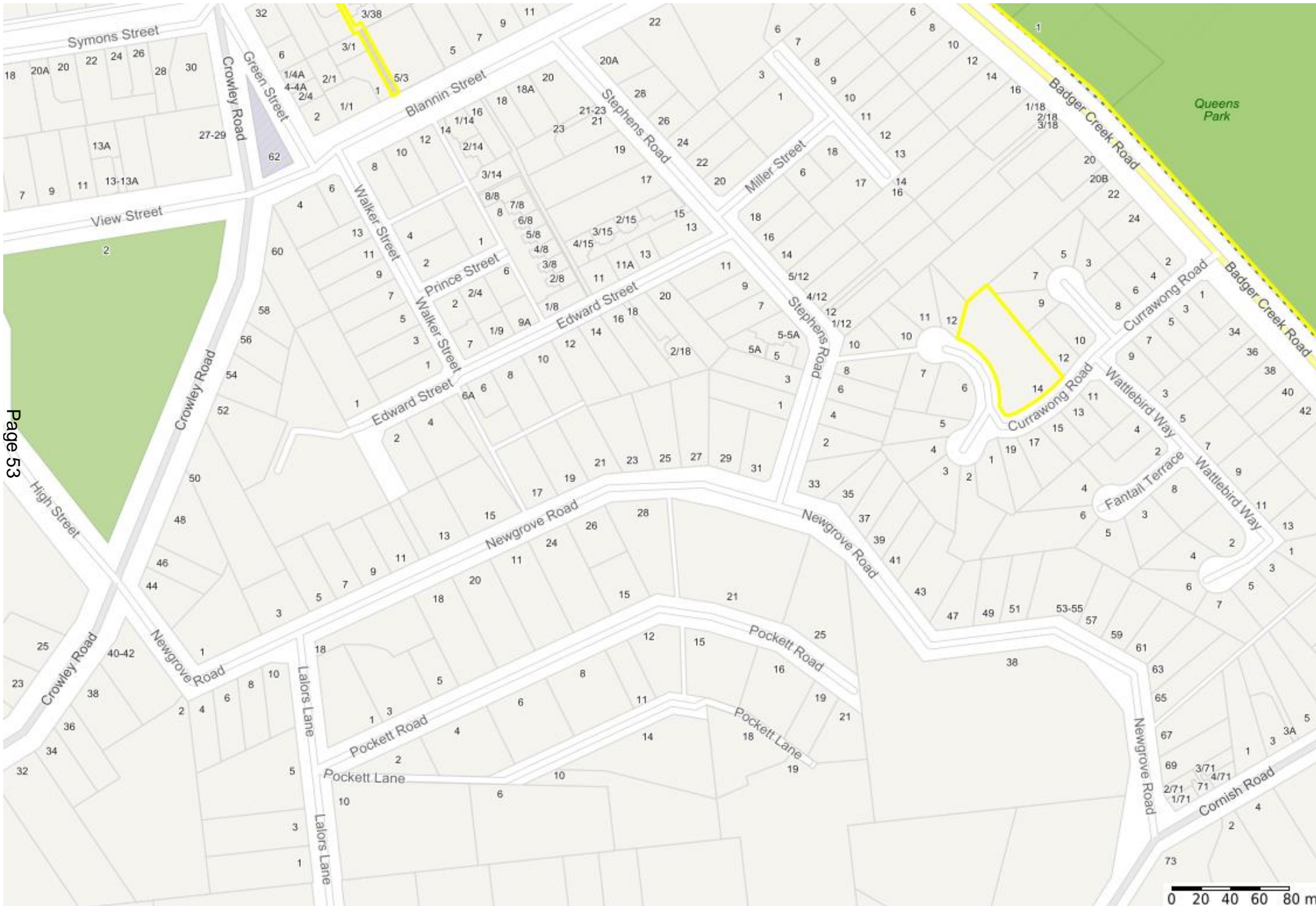


Yarra Ranges Council does not guarantee the accuracy of the information on this map. Any person using or relying upon such information does so on the basis that Yarra Ranges Council shall bear no responsibility or liability whatsoever for any errors, faults, defects or omissions on this map.

Road Reserve proposed to be discontinued

Scale = 1:802 @A4
Plan Printed on
27/06/2022





PLAN OF SUBDIVISION
OF CROWN ALLOTMENTS 3 & 4 SEC. 4
TOWNSHIP OF HEALESVILLE
PARISH OF GRACEDALE

COUNTY OF EVELYN

V. 2072 F. A14357
2341 A68058

Measurements are in Feet & Inches
Conversion Factor
FEET X 0.3048 = METRES

LP 16311

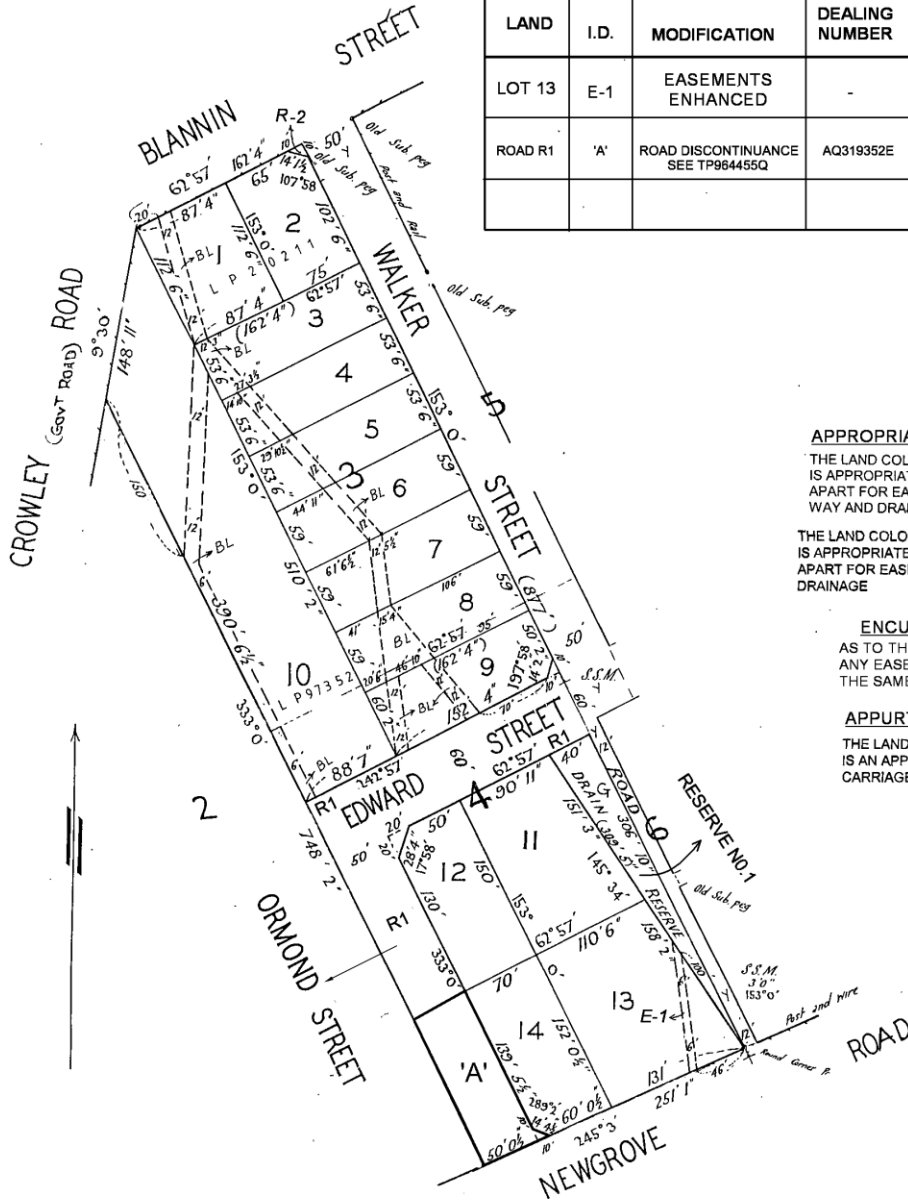
EDITION 3
PLAN MAY BE LODGED 15-3-43

COLOUR CODE

E-1 & BL = BLUE
R1 & R2 = BROWN

LAND	I.D.	MODIFICATION	DEALING NUMBER	EDITION	ASSISTANT REGISTRAR OF TITLES
LOT 13	E-1	EASEMENTS ENHANCED	-	2	A.D.
ROAD R1	'A'	ROAD DISCONTINUANCE SEE TP984455Q	AQ319352E	3	CM

WARNING: THE IMAGE OF THIS DOCUMENT OF THE REGISTER HAS BEEN DIGITALLY AMENDED.
NO FURTHER AMENDMENTS ARE TO BE MADE TO THE ORIGINAL DOCUMENT OF THE REGISTER.



APPROPRIATIONS

THE LAND COLOURED BROWN IS APPROPRIATED OR SET APART FOR EASEMENTS OF WAY AND DRAINAGE

THE LAND COLOURED BLUE AND GREEN IS APPROPRIATED OR SET APART FOR EASEMENTS OF DRAINAGE

ENCUMBRANCES

AS TO THE LAND MARKED E-1 ANY EASEMENTS AFFECTING THE SAME

APPURTENANCIES

THE LAND COLOURED YELLOW IS AN APPURTENANT CARRIAGEWAY EASEMENT

EOI6105 7169 MT MORTON ROAD STAGE 2 ROAD IMPROVEMENT WORKS SPECIAL CHARGE SCHEME

Report Author: Executive Officer - Design and Delivery
 Responsible Officer: Director Built Environment & Infrastructure
 Ward(s) affected: Lyster;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

The item has been included in the public agenda to facilitate openness and transparency in Council's decision making. Confidential attachments have been included with the report which contain commercially sensitive information that is not to be disclosed whilst the meeting is open to the public.

SUMMARY

This report summarises the quotation evaluation process for Mt Morton Road Stages 2 and 3 (Ryan Road to no.141) Belgrave Heights – Road Improvement Works SCS and seeks Council approval to award the contract for construction to Etheredge Minterm Pty Ltd.

As part of its 2019 budgetary process, the Federal Government announced a nine-year, \$150 Million funding initiative for Yarra Ranges Council to seal roads within the Dandenong Ranges and surrounding areas.

On 10 January 2023 Council received formal notification dated 19 December 2022, from the Federal Government that the \$150 Million Federal Government funding initiative would be reduced with Council only receiving total funding in the program of \$47.656 Million (\$47.7M). As a result of these funding cuts, Councils ability to construct all roads on the endorsed priority list will not be possible.

Landowner support has been sought and obtained for construction of Mt Morton Road, Belgrave Heights, in accordance with Council's Special Charge Scheme Policy. The project has been listed in Council's 2023/24 and 2024/25 Capital Expenditure Program. The Special Charge Scheme Statutory Process has been successfully completed and the project is ready for construction.

Mt Morton Road, Belgrave Heights is being constructed under two contracts. Contract EOI6105 7073 Mt Morton Road Stage 1 (Glen Road to No 141) and Hood Street Belgrave Heights – Road Improvement Works Special Charge Scheme was awarded to TDM Earthworks Pty Ltd at the council meeting on 25 October 2022 and reached practical completion on 21 December 2023. This council report considers the award of EOI6105 7126 Mt Morton Stages 2 and 3 (Ryan Road to no.141) Belgrave Heights – Road Improvement Works SCS.

RECOMMENDATION

That

1. ***Council accepts the tender from Etheredge Minter Pty Ltd for the total lump sum price of \$973,964.00 (exclusive of GST and inclusive of provisional items), \$1,071,360.40 inclusive of GST and all provisional items as defined in this proposal.***
2. ***Council approves the Director of Built Environment and Infrastructure be delegated the authority to sign the contract documents.***
3. ***The confidential attachment to this report remains confidential indefinitely as it relates to matters specified under section 3(1) (g)(i), (g)(ii) of the Local Government Act 2020.***

RELATED COUNCIL DECISIONS

- Council meeting 24 September 2019 – Council considered a report regarding the Federal Government Road Construction Funding Initiative and endorsed a listing of roads proposed for construction as Special Charge Schemes with landowner contributions fixed at \$7,000 per development unit.
- Council meeting 25 August 2020 – Council approved the establishment of a panel of pre-qualified Road Construction and Associated Works contractors, to facilitate the efficient delivery of road infrastructure projects.
- Council meeting 8 March 2022 – Council approved a report on the Intention to Levy a Special Charge Scheme for Mt Morton Road and Hood Street Belgrave Heights.
- Council meeting 10 May 2022 – Council declared the Special Charge Scheme for Mt Morton Road and Hood Street Belgrave Heights.
- Council meeting 25 October 2022 - Contract EO16105 7073 Mt Morton Road Stage 1 (Glen Road to No 141) and Hood Street Belgrave Heights – Road Improvement Works SCS was awarded to TDM Earthworks Pty Ltd.

DISCUSSION

Purpose

To seek Council approval to award EO16105 7126 Mt Morton Road Stages 2 and 3 (Ryan Road to no.141) Belgrave Heights – Road Improvement Works SCS.

Background

As part of its 2019 budgetary process, the Federal Government announced a nine-year, \$150 Million funding initiative for Yarra Ranges Council to seal roads within the Dandenong Ranges and surrounding areas.

To support efficient procurement processes, Council sought Expressions of Interest from contractors to establish a panel of twelve (12) pre-qualified Road Construction and Associated Works contractors to EO16105. From this list Council would seek quotations for road construction and associated works, as and when funding allows.

Under the terms and conditions of the panel arrangement any contracts valued over \$1 million would require a formal declaration report indicating the estimated cost and budget be accepted by Council before the project can proceed to construction.

On 14 November 2023, Council invited six (6) pre-qualified suppliers from the Road Construction and Associated Works Panel to submit their pricing for the EO16105 7126 Mt Morton Road Stages 2 and 3 (Ryan Road to no.141) Belgrave Heights – Road Improvement Works SCS.

The tender process remained open for 10 business days, closing on 28 November 2023 and five (5) Submissions were received.

Key Issues

This tender process has been carried out in accordance with the requirements of Council's Procurement Policy.

Tenderer's submissions were assessed for conformity with the tender documents and no tenders were eliminated from further evaluation as a result of any non-conformances.

The Evaluation Panel scored tenders against pre-established evaluation criteria. A summary of the evaluation criteria follows.

Evaluation Criteria	Weighting
Price	80%
Timeframes	20%
TOTAL	100%

Recommended option and justification

Following an extensive evaluation process as detailed in Confidential Attachment 1, the evaluation panel are unanimous in their decision to recommend Etheredge Mintern Pty Ltd for the Tender Price inclusive of provisional items. Etheredge Mintern Pty Ltd offers the best value outcome.

The evaluation panel request that Council adopts the recommendations within this report.

FINANCIAL ANALYSIS

The total cost of the lump sum contract for the road construction is \$973,964.00 (GST exclusive and inclusive of provisional items), \$1,071,360.40 Inclusive of GST including all provisional sums.

Funds are allocated to this project are from:

- The 2019 Federal Government \$150 Million funding initiative for Yarra Ranges Council to seal roads within the Dandenong Ranges and surrounding areas.
- Landowner Contributions as part of a Special Charge Scheme beginning in the 2023/24 financial year. The funding details are provided within the Confidential attachment.

Works are anticipated to commence in April 2024 with works expected to reach practical completion by 30 December 2024.

APPLICABLE PLANS AND POLICIES

This report contributes to the following strategic objective(s) in the Council Plan: The construction of local roads as a Special Charge Scheme meets the Council Plan 2021- 2025 strategic objective of Quality Infrastructure and Liveable Places. Local road construction also has benefits related to the strategic objective of a Vibrant Economy, Agriculture and Tourism.

Council's Special Rate and Charge Policy for Infrastructure Improvements sets out in detail the procedures for managing Special Charge Schemes.

This project is part of the Federal Government's sealing roads within the Dandenong Ranges and surrounding areas program.

RELEVANT LAW

This report seeks Council approval to award a contract that complies with Section 108 of the Local Government Act 2020.

SUSTAINABILITY IMPLICATIONS

Economic Implications

The construction of these roads would be undertaken utilising contractors from Councils Road Construction and Associated Works Panel. This panel was established with a majority of local smaller contractors which will help provide economic support to these local businesses.

Social Implications

Special Charge Schemes for road construction require sizeable contributions from abutting landowners. These contributions can lead to social and economic impacts for affected landowners. Council's Special Rate and Charge Policy for Infrastructure Improvements notes that those landowners with a demonstrated financial hardship may apply for assistance in accordance with Council's Rate Recovery and Financial Hardship Policy.

Environmental Implications

The proposed works will require the removal of 6 native trees and 0 exotic trees.

A Cultural Heritage Management Plan is not required for the works.

The works will enhance the environmental amenity, through the reduction in dust.

The sealing of local roads will assist in reducing the impacts to the road condition from increased storm events, predicted as a result of climate change. Unsealed roads greatly deteriorate in condition following storm events creating an increased stress on service delivery for the unsealed road network.

Consideration is also given to the rate of flow of water into local creeks and impacts to water quality following the sealing local roads. Sustainable treatment is prioritised where possible within the catchment with measures such as grassy swales implemented as conditions allow.

As part of the construction of local roads, Council officers are continually investigating the increased use of recycled materials. In utilising recycled materials, officers consider the availability and location of materials, the quality of materials and overall cost to the project.

COMMUNITY ENGAGEMENT

Landowners on Mt Morton Road, Belgrave Heights, have been consulted in the lead up to and through the statutory process for developing a Special Charge for the construction of their road.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Projects constructed under the Roads for Community Initiative have been jointly funded by the Federal Government and participating landowners.

The Federal Government funding commitment of \$150 Million over 10 years will have a transformational impact on unmade roads throughout the Dandenong's and urban growth areas of the municipality. The key principles of the program are to construct unmade roads:

- Servicing schools, community facilities and sporting facilities;
- Within the urban growth boundary and township areas within Yarra Ranges.

- That significantly support bushfire risk and emergency situations to allow the community to safely exit areas of high risk.
- That support the growth and development of tourism across the municipality.
- Where sections of high-volume rural roads intersect with collector/arterial roads.

In considering a strategic approach for future construction of unsealed roads, the proposed road construction of Mt Morton Road, Belgrave Heights, fit within the above criteria.

RISK ASSESSMENT

Construction of the roads would provide the following benefits/risk reduction to landowners:

- Continued and safer vehicular access to and from properties abutting or gaining primary access via the roads.
- Improved stormwater drainage run-off control directed towards the roads from abutting properties, and protection of low side properties from stormwater run-off from the roads.
- Enhanced physical and environmental amenity for abutting properties.

It is noted that the roads have existed in their current form for many years. If the proposed construction of the roads does not proceed, no unacceptable or unmanageable risk would be experienced by Council.

CONFLICTS OF INTEREST

An officer previously acting on behalf of Council as part of the Roads for the Community Initiative has been recently employed by a pre-qualified supplier from the Road Construction and Associated Works Panel who was invited as part of tender process. The Evaluation Panel confirmed that the officer was not involved in the preparation and/or authorisation of this report.

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. Confidential Attachment for Contract EO16105 7126 Mt Morton Road Stages 2 and 3 (Ryan Road to no.141) Belgrave Heights – Road Improvement Works SCS.

Confidential Item

11. COUNCILLOR MOTIONS

In accordance with Chapter 3 Division 4 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

There were no Councillor motions received prior to the Agenda being printed.

12. ITEMS THROUGH THE CHAIR

13. REPORTS FROM DELEGATES

14. DOCUMENTS FOR SIGNING AND SEALING

In accordance with Clause 87 of the Meeting Procedures and Use of Common Seal Local Law 2015, as prescribed by Section 14(2)(c) of the Local Government Act 2020.

There were no Documents for Signing and Sealing listed for this meeting prior to the Agenda being printed.

15. INFORMAL MEETINGS OF COUNCILLORS

Report Author: Governance Officer
 Responsible Officer: Director Corporate Services
 Ward(s) affected: All Wards

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public

SUMMARY

Chapter 8, Rule 1, of the Governance Rules requires that records of informal meetings of Councillors must be kept and that the Chief Executive Officer must ensure that a summary of the matters discussed at the meeting tabled at the next convenient Council meeting and recorded in the Minutes of that Council meeting.

An 'informal meeting of Councillors' is defined in the Governance Rules as a meeting of Councillors that:

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

The records for informal meetings of Councillors are attached to the report.

RECOMMENDATION

That the records of the Informal Meetings of Councillors, copies of which are attached to the report, be received and noted.

ATTACHMENTS TO THE REPORT

1. 23 January 2024 - Council Briefing
2. 23 January 2024 - Council Forum

Informal Meeting of Councillors

Public Record



Meeting Name:	Council Briefing	
Date:	23 January 2023	Start Time: 5.51pm Finish Time: 6.11pm
Venue:	Council Chamber, Civic Centre, Anderson Street, Lilydale and via video conference	
Attendees:	<p>Councillors: Sophie Todorov (Chair), David Eastham (Deputy Mayor), Jim Child, Tim Heenan, Johanna Skelton Len Cox and Andrew Fullagar</p> <p>CEO/Directors: Hjalmar Philipp(Acting Chief Executive Officer), Phil Murton (Acting Director Built Environment and Infrastructure) Kath McClusky, Leanne Hurst and Andrew Hilson</p> <p>Officers: Gina Walter and Andrew Edge</p> <p>Externals: Nil</p>	
Apologies	Fiona McAllister and Richard Higgins	
Disclosure of Conflicts of Interest:	<ul style="list-style-type: none"> • Nil 	
Matter/s Discussed:	This briefing covered the following items of business to be considered at the 30 January 2024 Council Meeting.	
	10.1	Sustainable Environment Advisory Committee - Membership Appointments
	17.1	CONFIDENTIAL – Warburton Mountain Bike Destination Financial Options
Completed By:	Gina Walter	

Informal Meeting of Councillors

Public Record



Meeting Name:	Council Forum	
Date:	23 January 2024	Start Time: 7.00pm Finish Time: 9.48pm
Venue:	Council Chamber, Civic Centre, Anderson Street, Lilydale and via videofonerecence	
Attendees:	Councillors: Sophie Todorov (Chair), David Eastham (Deputy Mayor), Jim Child, Tim Heenan, Johanna Skelton, Len Cox and Andrew Fullagar	
	CEO/Directors: Hjalmar Philipp(Acting Chief Executive Officer), Phil Murton (Acting Director Built Environment and Infrastructure) Kath McClusky, Leanne Hurst and Andrew Hilson	
	Officers: Gina Walter, Andrew Edge, Nathan Islip, Matt Harrington, Liam Routledge, and Damain Closs	
	Via Zoom: Joanne Hammond, Scott Chancellor, Abby McCarthy and Catherine Bennett	
	Externals: Danielle Phyland (Urban Enterprise)	
Apologies	Fiona McAllister and Richard Higgins	
Disclosure of Conflicts of Interest:	<ul style="list-style-type: none"> • Nil 	
	2.1	Action and Agreement Record - 5 December 2023
	2.2	Action and Agreement Record - 11 December 2023
	2.3	Councillor Discussion Time
	2.4	Warburton Mountain Bike Update & Funding Options
	2.5	Consideration of the Municipal Wide Development Contributions Plan
	2.6	Update on Former Lilydale Quarry Redevelopment
	3.0	For Noting
	3.1	Indicative Forum & Council Meeting Schedule

Assembly of Councillors

Public Record



	4	Mayor & CEO Update
	5	General Business
	6	Late Items and Urgent Business
Completed By:	Gina Walter	

16. URGENT BUSINESS

In accordance with Chapter 3 Rule 24 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

17. CONFIDENTIAL ITEMS

In accordance with Chapter 3 Rule 24 of the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

There were no Confidential Items listed for this meeting.

18. DATE OF NEXT MEETING

The next meeting of Council is scheduled to be held on Tuesday 27 February 2024 commencing at 7.00pm, at Council Chamber, Civic Centre, Anderson Street, Lilydale and via videoconference.



In providing for the good governance of its community, Councillors are reminded of their obligation to abide by the provisions as set within the Local Government Act 2020 and the Code of Conduct for Councillors.

When attending a Council Meeting, Councillors should adhere to the procedures set out in the Governance Rules developed by Council in accordance with section 60 of the Local Government Act 2020.

The following is a guide for all Councillors to ensure they act honestly, in good faith and in the best interests of Yarra Ranges as a whole.

1. Councillors will respect the personal views of other Councillors and the decisions of Council.
2. Councillors may publicly express their own opinions on Council matters but not so as to undermine the standing of Council in the community.
3. The Mayor is the official spokesperson for Council.
4. Councillors will incur expenditure in a responsible manner and in accordance with the Councillor Expenditure and Policy.
5. Councillors will avoid conflicts of interest and will always openly disclose any direct and indirect interests where they exist.
6. Councillors will act with integrity and respect when interacting with Council staff and members of the public.
7. Councillors will demonstrate fairness in all dealings and conduct and be open with and accountable to the community at all times.
8. Councillors will conduct themselves in a manner that does not cause detriment to Council or the Yarra Ranges community.