



## **SPECIAL COUNCIL MEETING**

# **AGENDA**

**Wednesday 20 April 2022**

**at 4:00 PM**

**The Project Space**

**1-3 Nelson Street, Apollo Bay**



# COLAC OTWAY SHIRE SPECIAL COUNCIL MEETING

Wednesday 20 April 2022

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## COLAC OTWAY SHIRE SPECIAL COUNCIL MEETING

NOTICE is hereby given that the next **SPECIAL COUNCIL MEETING OF THE COLAC OTWAY SHIRE COUNCIL** will be held at The Project Space on Wednesday 20 April 2022 at 4:00 PM.

### AGENDA

#### **1 DECLARATION OF OPENING**

##### **OPENING PRAYER**

*Almighty God, we seek your  
blessing and guidance in our  
deliberations on behalf of the  
people of the Colac Otway Shire.  
Enable this Council's decisions to be  
those that contribute to the true  
welfare and betterment of our community.*

AMEN

#### **2 PRESENT**

#### **3 APOLOGIES AND LEAVE OF ABSENCE**

#### **4 WELCOME AND ACKNOWLEDGEMENT OF COUNTRY**

Colac Otway Shire acknowledges the original custodians and law makers of this land, their elders past, present and emerging and welcomes any descendants here today.

##### **RECORDING AND PUBLICATION OF MEETINGS**

Please note: All Council and Committee meetings are recorded. This includes the public participation sections of the meetings. However, matters identified as confidential items in the Agenda will not be recorded.

By participating in open Council meetings, individuals consent to the use and disclosure of the information they share at the meeting (including any personal and/or sensitive information).

As soon as practicable following each open Council meeting, the recording will be accessible on Council's website. Recordings are also taken to facilitate the preparation of the minutes of open Council and Committee meetings and to ensure their accuracy. Recordings will be retained by Council for a period of four years.

As stated in the Governance Rules, other than an official Council recording, no video or audio recording of proceedings of Council Meetings will be permitted without specific approval by resolution of the relevant Council Meeting.

The sole purpose of the Special Council Meeting is to consider:

- SouthWest Victoria Alliance membership (formally Great South Coast Group)
- Establishment of Apollo Bay Senior Citizens' Centre Community Asset Committee
- Proposed Sale of 69 McLachlan Street Apollo Bay - Method of Sale
- Contract 2206 - Supply and/or Delivery of Crushed Rock
- Contract 2207 - External Plant Hire.

## **PUBLIC ATTENDANCE**

In response to current COVID-19 requirements, all attendees aged 18 and over must be fully vaccinated and show their vaccination status as a condition of entry to the Project Space, 1-3 Nelson Street Apollo Bay. Patrons will be required to show proof of vaccination.

## **5 QUESTION TIME**

A maximum of 30 minutes is allowed for question time on any matter. To ensure that each member of the gallery has the opportunity to ask questions, it may be necessary to allow a maximum of two questions from each person in the first instance. You must ask a question. Question time is not a forum for public debate or statements.

1. Questions received in writing prior to the meeting (subject to attendance and time). Written questions must be received by 5pm on Monday 18 April 2022.
2. Questions from the floor.

## **6 TABLING OF RESPONSES TO QUESTIONS TAKEN ON NOTICE AT PREVIOUS MEETING**

These responses will not be read out but will be included in the minutes of this meeting.

## **7 DECLARATIONS OF INTEREST**

A Councillor who has declared a conflict of interest, must leave the meeting and remain outside the room while the matter is being considered, or any vote is taken.



Item: 8.1

## SouthWest Victoria Alliance membership (formally Great South Coast Group)

CHIEF EXECUTIVE OFFICER	Anne Howard
DIVISION	Executive
ATTACHMENTS	<ol style="list-style-type: none"><li>1. SouthWest Victoria Alliance - Advocacy Priorities document - 2021 22 [8.1.1 - 9 pages]</li><li>2. SouthWest Victoria Alliance - Assessment of the beneficial enterprise [8.1.2 - 1 page]</li></ol>

### 1. PURPOSE

To seek Council direction regarding membership of the SouthWest Victoria Alliance (SWVA), previously known as the Great South Coast Group (GSCG).

### 2. EXECUTIVE SUMMARY

At the 23 February 2022 Council meeting, Council considered the GSCG membership and resolved, as follows:

***'That Council:***

- 1. Indicates an intention to become a member of the Great South Coast Group Ltd, subject to the inclusion of a grievance resolution clause in the Memorandum of Understanding to the satisfaction of Council.***
- 2. Seeks to resolve its membership with the Great South Coast Group of Councils as soon as possible, and requests that the group continues to support Council's participation with the group for now.***
- 3. Nominates that the Mayor will be its representative on the Great South Coast Group of Councils.'***

Officers wrote to the SWVA to convey Council's decision and seek its response. The SWVA Board considered Council's request on 25 February 2022 and advised as follows:

- That the Memorandum of Understanding would not be updated to include a grievance resolution clause.
- That a separate grievance procedure would be developed to address Council's request.
- Invited Council to become a paid member of the SWVA as soon as possible.

As outlined in the report to Council in 23 February 2022, Council has participated with the SWVA as a non-financial member through 2021 and been able to inform project priorities for the region and participate in advocacy meetings with Federal and State elected representatives. Council has already resolved its intention to become a member and it is now appropriate that Council makes a decision in relation to this.

### 3. RECOMMENDATION

*That Council:*

- 1. Determines to become a member of the SouthWest Victoria Alliance.***
- 2. Notes that membership will result in an unfavourable variance of \$22,700 to the 2021-22 Budget and that annual membership contributions will be incorporated into future budgets.***
- 3. Affirms that the Mayor will be the representative on the SouthWest Victoria Alliance.***
- 4. Authorises the Mayor to sign the Memorandum of Understanding on behalf of Council.***

### 4. KEY INFORMATION

The SWVA represents the Councils in the Barwon region that are generally located to the west of Colac Otway Shire, comprising of Corangamite, Moyne, Warrnambool, Glenelg and Southern Grampians Councils. The Barwon region of Victoria is a large and diverse part of the State and Colac Otway Shire is located on the cusp of the east and west parts of the Barwon region. This means that Colac Otway Shire has common interests with communities to the east (as represented by the G21 Region Alliance) and to the west (as represented by the SWVA) as well as interests that are shared across the whole region.

Council recognises that in addition to delivering a diverse portfolio of services, it also needs to support its community to access opportunities and address challenges. These matters are often complex or beyond Council's resources and are better addressed through working with others.

It is common for councils across the Local Government sector to work both informally and formally with others to achieve better outcomes than can be expected by working independently. These relationships also create important networking and information-sharing opportunities that increase Council's strategic thinking and can create opportunities for driving innovation and efficiencies.

Council is a member of a small number of groups and alliances that share areas of common interest including the following:

- **Geelong Region Alliance (G21)**  
G21 is the formal alliance of local government, business and community organisations working together to improve the lives of people within the Geelong region across five municipalities – Colac Otway, Golden Plains, Greater Geelong, Queenscliff and Surf Coast. G21 works as a forum to discuss regional issues across interest groups and municipalities resulting in better co-ordinated research, consultation and planning. G21 was a strong contributor to the advocacy campaign that led to the Geelong and Great Ocean Road region securing \$300 million over 10 years from Federal and State Governments.
- **Rural Councils Victoria (RCV)**  
RCV is an organisation representing Victoria's 38 rural councils. RCV undertakes research, projects and advocacy relating to matters that are generally common to rural councils rather than matters that are state-wide issues.

- **Municipal Association of Victoria (MAV)**

MAV is a membership association and the legislated peak body for Victoria's 79 local councils. One of the key benefits MAV provides to Council is its active role in representing the Local Government sector to the Victorian Government, particularly when changes are proposed to legislation and policies that impact councils. MAV has resources, sometimes with specialist knowledge beyond Council's, and amongst its other services MAV has the capacity to research and analyse relevant information and draft submission on behalf of Councils providing a 'collective local government voice' while still allowing councils to also make direct representation.

Where the above groups share common areas of interest, Council's membership assists to add consistency when developing a collective policy position, as well as providing multiple avenues through which the interests of Colac Otway Shire can be represented. Where the groups have different areas of interest or focus, being a member of more than one group allows Council to work with different groups to achieve desired outcomes.

Council was previously a member of the Great South Coast Group but its membership ceased in 2016. Council re-engaged with this group in early 2021 as a non-financial member. During this period the other members of the GSCG (Corangamite, Moyne, Warrnambool, Glenelg and Southern Grampians) have allowed Council to participate fully in developing priority projects, advocacy and other group initiatives. It is now appropriate that Council considers whether it intends to remain involved in the group as a full member, or seek to achieve its goals and objectives independently from the group.

Benefits offered through ongoing membership with SWVA includes the opportunity to collaborate on initiatives that are shared across the region between Colac Otway and the South Australian border. Clearly agriculture has been the mainstay of the region, as well as established fishing, grain, wool and forestry sectors. Renewable energy is also seen as a valued provider for future career opportunities in the area, and Colac Otway shares the significant housing and accommodation challenge with GSCG members. These interests exist in the G21 region but are less of a focus as the G21 offers other benefits to Council.

The coastal parts of the Colac Otway Shire share a visitor economy linked to both the east (G21 partners) and west (SWVA partners) and is an example where partnering with only one or the other may limit the outcomes for the community.

SWVA advocacy priorities are detailed in Attachment 1 to this report and provide an overview of what opportunities Colac Otway Shire has through partnering with the SWVA.

Should Council determine to become a member of the SWVA its membership is formalised through a Memorandum of Understanding. Council would commit to an annual membership fee (which is \$22.7k in 2021-22 and subject to annual indexation) and understand that there is a 12 month notice period if it wishes to leave the membership.

If Council becomes a member of the SWVA it will have the opportunity to nominate a representative. The Deputy Mayor has been Council's representative for the last 12 months. Other Councils are represented by their respective Mayors. The Chief Executive Officers also attend the SWVA board meetings as non-voting members. The time commitment can vary, however board meetings are bi-monthly and representatives should expect to commit about five hours per month.

## 5. CONSIDERATIONS

### **Overarching Governance Principles (s(9)(2) LGA 2020)**

Partnering with others such as the SWVA provides an opportunity to achieve:

- the best outcomes for the municipal community, including future generations, in a cost effective manner because:
  - Council can achieve greater impact through advocating with others instead of as a single entity
  - SWVA advocacy and priorities will be informed by forecast changes in regional demographics including future generations
- innovation and continuous improvement through exposure to regional opportunities and learnings
- collaboration with other Councils and Governments
- consideration of regional, state and nations plans and policies.

### **Policies and Relevant Law (s(9)(2)(a) LGA 2020)**

The LGA 2020 enables Council to fulfil its role through membership with partnership organisations such as the SWVA. Where these entities are deemed to be beneficial enterprises, Council needs to comply with section 111 of the LGA 2020. Council's compliance with this section of legislation is demonstrated through Attachment 2 to this report. Council will also report on the performance of the beneficial enterprise (SWVA) in its Annual Report.

### **Environmental and Sustainability Implications (s(9)(2)(c) LGA 2020)**

While the SWVA may have priorities that relate to environmental and sustainability matters, they are not considered to be dominant in the context of this report and are therefore deemed to be not applicable.

### **Community Engagement (s56 LGA 2020 and Council's Community Engagement Policy)**

Community engagement about Council's potential membership has not been subject to Council's Community Engagement Policy because it relates to how Council achieves the goals and objectives that are deemed to be important to the community. Community engagement is more relevant in informing and determining strategic objectives.

### **Public Transparency (s58 LGA 2020)**

Public transparency of Council's consideration of this matter is evidenced through the decision being subject to a report to the open meeting of Council. Information about the SWVA is also accessible to the public via its website.

### **Alignment to Plans and Strategies**

SWVA advocacy priorities are detailed in Attachment 1 to this report and provide an overview of what opportunities Colac Otway Shire has through partnering with the SWVA. The clear alignment between priorities shared by the SWVA and Council relates to opportunities to address housing and accommodation challenges.

### **Financial Management (s101 Local Government Act 2020)**

Membership will cost Council an annual contribution of \$22,700 (exc. GST) and will result in an unfavourable variance to the 2021-22 Budget as it was not allowed for when the budget was adopted.

The recurrent cost of membership will be incorporated into future budgets. No financial risk has been identified in relation to this membership opportunity.

**Service Performance** (s106 *Local Government Act 2020*)

The SWVA membership offers benefits to the whole of the municipality due to the broad range of initiatives undertaken by the alliance. The partnering approach also offers a cost effective way of achieving outcomes for the community as many costs are shared and there may be economies of scale achieved.

**Risk Assessment**

Not applicable.

**Communication/Implementation**

Council's decision will be provided to the Chair of the SWVA via letter.

**Human Rights Charter**

No matters have been identified that impact human rights as a result of this matter or the recommendation.

**Officer General or Material Interest**

No officer declared an interest under the *Local Government Act 2020*.

**Options**

Option 1 – Council may decide to become a member of the SouthWest Victoria Alliance

This option is recommended by officers as partnering is recognised as a very successful and cost effective way of working for Councils. SWVA is an established group and member councils and their communities have shared areas of common interest with Council and the Colac Otway Shire community.

Option2 – Council may decide not to become a member of the SouthWest Victoria Alliance

This option is not recommended by officers. While officers recognise that the membership requires a time and financial commitment, the potential benefits are considered to be significant. If Council determines to not become a member, officers will still need to spend similar or more time sourcing information, networking and engaging with partners to try to stay abreast of issues and activities but in a less effective manner. Council may also need to consider investing directly in advocacy and other work to continue to achieve desired outcomes.



# SouthWest Victoria Alliance

Advocacy Priorities 2021/22



**SouthWest Victoria**  
ALLIANCE

## SOUTHWEST VICTORIA

The SouthWest Victoria (SWV) region is home to more than 110,000 people and covers 23,000 square kilometres, stretching from Apollo Bay to the South Australian border, incorporating parts of the Great Ocean Road and the Grampians.

The SWV encompasses the economic centres of Victoria's south-west, such as Warrnambool, Port Fairy, Camperdown, Portland, Colac Otway and Hamilton – each with unique commercial and industrial sectors.

With 7,000 people employed across 1,300 farms – the SWV is Australia's agricultural powerhouse. The region is responsible for 24 per cent of Australia's milk production and 27 per cent of the national total dairy production – equating to \$2.3 billion in agricultural output each year. Exports are supported through the strategically located Port of Portland, which oversees \$1.5 billion in annual trade value.

While agriculture has been the mainstay of the region, there are also established fishing, grain, wool and forestry sectors – the SWV is home to 17 per cent of Australia's forest plantations. Renewable energy is also seen as a valued provider for future career opportunities in the area.

The region also has a spectacular natural environment and internationally recognised tourism assets such as the Twelve Apostles, the Great Ocean Road, the Grampian Ranges and

Budj Bim. Visitors to the region are serviced by hundreds of businesses and traders in the local tourism and hospitality sectors.

The Group recognises the importance of the Geelong City Deal, signed by the Australian Government, Victorian Government and City of Greater Geelong in March 2019.

The total investment of nearly \$382.48 million to our region's gateway will yield benefits for Victoria's South West. In order to continue Geelong's development as Victoria's second economic hub, Melbourne's Western Region will require development, in order to preserve Victoria's tourism sector and help ensure Australia's food and energy security.

Our primary short-term need is to provide services, jobs and accommodation for people living or relocating to the region. This prospectus offers ways to do this through investment opportunities in roads, infrastructure, tourism and health projects – all of which will create immediate benefits to the region.

The longer-term opportunities for the SWV, which are extrapolated in this document, are to future proof the economy, and ensure the next generation of workers have the skills and desire to work in our key industries.



HOME TO MORE THAN  
110,000 PEOPLE



COVERS 23,000  
SQUARE KILOMETRES

## ABOUT THE SOUTHWEST VICTORIA ALLIANCE

The SWV Alliance is a formal alliance of local government authorities and businesses working towards a more prosperous, equitable, connected, sustainable and liveable SWV region.

The SWV Alliance brings together the Shires of Colac Otway, Corangamite, Moyne, Southern Grampians and Glenelg, the City of Warrnambool and business leaders to support growth and economic development, strengthen local communities, improve infrastructure and ensure the sustainability of natural assets and tourist economy.

The SWV Alliance provides a collaborative voice on diverse and complex issues, working with stakeholders and strategic partners to identify, develop, promote and deliver initiatives that are key to the success of the region.

Practicing collaborative leadership, the SWV Alliance ensures the region is working together to advocate for the best outcomes, especially throughout the COVID-19 pandemic and recovery.

## IMPACTS OF COVID-19

The COVID-19 pandemic has had wide-reaching health, social and economic impacts across Victoria's South West. Critical elements of the SWV economy, the tourism and hospitality sectors, have been severely impacted over the past 18 months.

However, the pandemic has also brought growth and fresh opportunities to the area, with people looking to relocate to the regions.

The critical investments made in SWV from both federal and state governments has enabled us to survive the pandemic. In

May of 2020, all LGAs in the region relied on JobKeeper with the average rate of businesses on JobKeeper at just under 30 per cent. The Victorian Government's \$3.7 billion investment in regional Victoria as part of the 2021/22 Budget has helped keep our community and industries afloat.

However, SWV has extensive structural economic issues that must be addressed if the region is to recover in the long-term from the COVID-19 pandemic and recession.



### UNDERLYING ECONOMIC CHALLENGES

There are many reasons to be optimistic about our region's economic future. The local agriculture industry avoided the worst of the 2017-19 drought and has taken advantage of the region's climate, water and soil, as a result, SWV's fishing and agriculture sectors are among the strongest in the nation. If our region is to overcome the pandemic and years of economic contraction that preceded it, our agricultural industry will need support to grow as it looks to take advantage of emerging technologies.

The achievements of agricultural sectors overseas serve as tangible examples of what is possible if industries are supported through digital transformation. For example, the Netherlands creates over 50 times the value on the same amount of agricultural land as Victoria's South West.

In order to realise the potential of our natural assets, the region must address its ageing workforce and ensure workers have access to training. However, according to data published by Regional Development Victoria, our region has been experiencing an economic contraction for the 15 years to 2019. Critically, by 2019 SWV as a region contributed less to the Victorian economy than in 2006. In the same period, Victoria's economy grew by 50 per cent.

The pre-COVID issues in our region's economy persisted despite the growth of Chinese and South East Asian markets for education, tourism and produce. As the international economy becomes more uncertain, the region will need targeted commercial and public sector investment to support critical infrastructure and build a workforce for future industries and catalyse business investment.

The Group welcomes the Victorian Government's \$5 million investment in Regional Workforce Pilots to address housing shortages and other roadblocks to regional workforce attraction, we look forward to continuing to partner with governments to address our region's workforce challenges





## SMALL BUSINESSES AND LOCAL ECONOMIES

A survey of local businesses<sup>1</sup> on the impacts of COVID-19 on Victorian regions and regional businesses found that 54 per cent of businesses expected a decline of greater than 50 of revenue over the last six months.

Accommodation, food, retail, other services businesses, and health and social services were nominated as those most likely to see revenue declines. Businesses within the SWV region accounted for over 73 per cent of survey respondents.

SWV member councils have also seen a significant underlying deficit due to their operating businesses and facilities which were restricted or closed during the year. In a briefing paper for their 2021-22 Annual Budget, Warrnambool City Council estimates a loss of over \$3 million in revenue from April 2020 to March 2021.

Most local government bodies in the SWV region have also stepped in to provide their own COVID-recovery programs – funding support for local businesses and community groups to keep them operating during the pandemic.



## TOURISM AND HOSPITALITY

Tourism expenditure contributed over \$700 million to the region's economy pre-pandemic in 2019. However, state-wide lockdowns, restricted interstate borders and the closure of key tourist attractions during the pandemic has had a significant impact on the region's tourism operators.

SWV is home to several internationally recognised tourist destinations and is of importance to the national tourism industry. For example, the Budj Bim Cultural Landscape is Australia's only UNESCO World Heritage site listed exclusively for its Aboriginal cultural values.

According to Tourism Research Australia, the Great Ocean Road has experienced a 77 per cent decline in international visitors.<sup>2</sup> Famous destinations for holidaymakers like Apollo Bay and Port Fairy recorded declines in average daily sales of 56 per cent and 72 per cent, respectively.<sup>3</sup> The local hospitality sector has suffered the compounding effects of trade restrictions, movement restrictions for locals, and a significant reduction in visitors to the region.

This has had a detrimental multiplier effect through supply contracts with local businesses and associated industries.

The introduction of the Regional Travel Voucher Scheme at the end of 2020 was a welcome incentive and this, combined with local council business support packages, has helped the local tourism and hospitality sector through the past 18 months.

Tourism started to pick up in early 2021, due to a strong summer of visitors, particular during the long weekend in March and with a number of events held at this time. However, the region's tourism industry is reliant on domestic visitor numbers that have proven unreliable due to COVID-related lockdowns.

While recovery in the tourism sector is currently domestically-led (with international borders likely to remain closed until 2022), the most recent return to lockdown in Victoria, combined with interstate border closures and travel restrictions on Victorians, will hinder this recovery.

This is why it is critical for governments to continue to invest in the SWV region, and for the initiatives in this document to be seen as a matter of priority.

<sup>1</sup> Pulse Survey 20.1: Impacts of COVID-19 on regions and regional business, SED Advisory

<sup>2</sup> Tourism Region Profiles Data Tables

<sup>3</sup> Pulse Survey 20.1: Impacts of COVID-19 on regions and regional business, SED Advisory



## AREAS OF FOCUS

This document sets out the three key areas of focus that will see the SWV region navigate its way through the COVID-19 pandemic, capitalise on its considerable assets, and ensure a vibrant and prosperous future.



Connecting Our Community

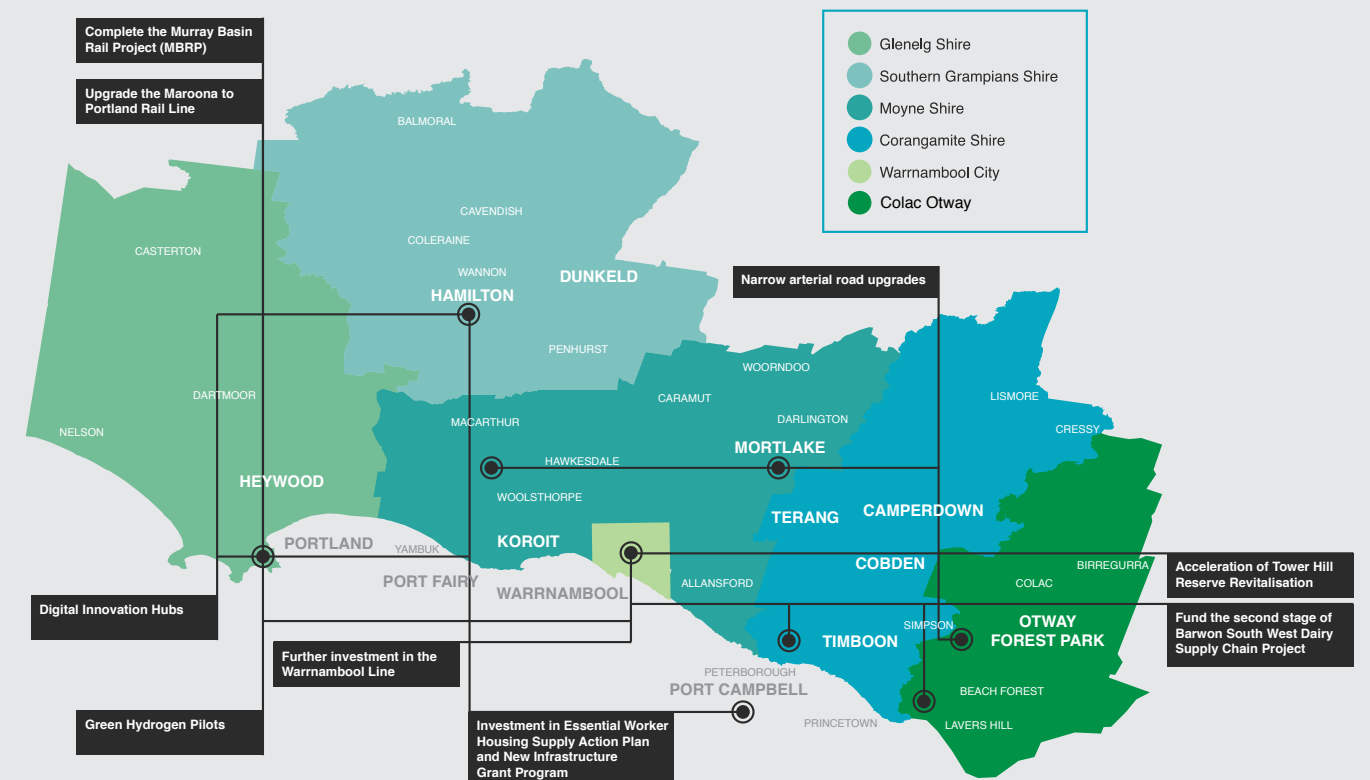


A Sustainable South West



Growing Our Economy

## SWV REGION





# SUMMARY OF KEY ADVOCACY PRIORITIES



## CONNECTING OUR COMMUNITY

### ROAD INFRASTRUCTURE

- **Second stage of Barwon South West Dairy Supply Chain Project**  
*Project cost: \$63 million over 2 years*
- **Victoria’s South West Narrow Arterial Road Fund**
- **Grain Road Supply Chain Study**  
*Project cost: \$150,000 investment from State Government (\$50,000 Local Government contribution)*

### PASSENGER AND FREIGHT RAIL

- **Further investment in the Warrnambool Line**
  - Ensuring 6 services a day
  - Rolling stock upgrades
- **Funding to complete the Murray Basin Rail Project (MBRP)**

- **Upgrade the Maroona to Portland Rail Line**  
*Project cost: \$30 million*
  - Endorsed by Victoria’s Freight Plan and Victoria’s Infrastructure Strategy 2021-2051

### DIGITAL

- **Expansion of IoT network to enable high value agriculture**  
*Project cost: \$3 million to facilitate a further \$3 million investment*
- **Funding to implement all recommendations from the Great South Coast Digital Plan**
- **Funding for the Great South Coast Digital Innovation Hubs Pilots**  
*Project cost: \$1 million over three years*



## GROWING OUR ECONOMY

### FOOD AND FIBRE

- **Develop pilot projects from the Great South Coast Green Hydrogen Strategy**  
*Project cost: \$750,000, outlined in Great South Coast Economic Futures Report*
- **Upgrade region to three-phase power**  
*Project cost: \$10 million investment expected to be recovered in 5 years.*
- **Groundwater reform to support the local food and fibre economy**  
*Project cost: \$3 million investment to facilitate a further \$6 million investment*
  - Regulatory changes to enable longer-term groundwater licenses
  - 150 farms supported

### TOURISM

- **Extend Recovery for Regional Tourism Program**
- **Acceleration of Tower Hill Reserve Revitalisation**
- **Diversification High Value Tourism – Site Identification and concept plan for Geothermal Hot Springs**  
*Project cost: \$300,000, outlined in Great South Coast Economic Futures Report*

### WORKFORCE AND SKILLS

- **Develop Food and Fibre careers and pathways**  
*Project cost: \$450,000 over 3 years*
- **Establish a GROW program for the SWV region**  
*Project cost: \$600,000 over 3 years*



## A SUSTAINABLE SOUTH WEST

### HOUSING

- **Investment in Essential Worker Housing Supply Action Plan and New Infrastructure Grant Program**  
*Project cost: \$5 million (\$20,000 support for 250 lots)*

### WATER

- **The development of a new South West Sustainable Water Strategy**
  - Urgent policy innovation is needed including reforms to groundwater licencing.
- **Irrigation infrastructure to support high value agriculture pilots and capitalise on groundwater resources**

### HEALTH

- **Investment in a community-based care site in the SWV region, providing a ‘front door’ support service**
  - SWV seeks to be one of the first 20 new local service sites in Victoria providing a ‘front door’ for care
- **Grow Our Own Mental Health Workforce – Internship Pilot**  
*Project cost: \$280,000 supporting 10 placements over 2 years*

# 1. CONNECTING OUR COMMUNITY

## ROADS AND INFRASTRUCTURE

SWV is Victoria’s food bowl with the largest agricultural output of any region in Victoria. More than a quarter of Victoria’s beef and a third of the state’s dairy and sheep come from farms in Victoria’s South West. While the region is of critical importance to the state and nation’s food supply our communities are some of the most remote and poorly connected in Victoria.

As recognised by Infrastructure Victoria in Victoria’s Infrastructure Strategy 2021-25, “many stakeholders expressed major concerns about the reduced scope of the Murray Basin Rail Project, particularly for businesses. Publishing a plan can help address these concerns and should include a program of projects.”

Situated within what the Federal Government refers to as the Green Triangle, SWV has some of Australia’s most strategically important roads,<sup>4</sup> yet poor and unsafe conditions are risking the safety of all workers and the reliability of critical supply chains. These roads need to be safe for locals and tourists, and efficient to allow industry to remain competitive.

One of the highest priorities for investment in the SWV region is major road upgrades.

### KEY PROJECTS

#### Second stage of Barwon South West Dairy Supply Chain Project *Project cost: \$63 million over 2 years*

SWV welcomes the investment from both the state and federal governments towards the Barwon South West Dairy Supply Chain.

Further funding is now required for the second stage of this project. This will include: structures on the Princes Highway and Warrnambool – Caramut Road; and Priority A Roads including Cobden Port Campbell Road, Great Ocean Road, Caramut Road, Mailors Flat-Koroit Road to be upgraded for vehicles up to 85.5 tonnes.

#### SouthWest Victoria Narrow Arterial Road Fund

A number of key arterial roads in the region are either single lane or unsealed, presenting a significant challenge to regional supply chains. Investment is required to ensure all roads are upgraded to a double lane standard.

Priority roads include:

- a. Darlington Road, Mortlake
- b. Lavers Hill-Cobden Road
- c. Woolsthorpe-Heywood Road
- d. Macarthur-Penshurst Road

#### Grain Road Supply Chain Study *Project cost: \$150,000 investment from State Government (\$50,000 Local Government contribution)*

SWV appreciates the Victorian Government’s \$8 million investment in improving access to food and fibre markets for local producers.

As our local agricultural sector becomes more productive it is critical that supply chains are able to keep up with increased output.

<sup>4</sup> Australian Government’s Roads of Strategic Importance Initiative



RAIL

Commuter

State and federal government investment into the Regional Rail Revival program has created jobs and supplier opportunities across regional Victoria. Further improvements to public transport will bolster the region. As it stands the Warrnambool Line services more than 200,000 residents across South West municipalities, including:

- Colac Otway Shire
  - Corangamite Shire
  - City of Warrnambool
  - Southern Grampians Shire
- Glenelg Shire
  - Moyne Shire
  - Surf Coast Shire

Inadequate train services on the Warrnambool Line are inhibiting growth and tourism opportunities, and failing to meet the needs of Victoria’s South West.

The importance of a strong rail network has never been more prominent in a post COVID-19 environment. There is a need to provide passengers with more choice on when to travel, as well as, improving the comfort and reliability of passenger rail services, including ensuring passengers have access to the internet.

PASSENGER AND FREIGHT RAIL

The Western Victorian Rail Network has seen improvements under the Victorian Government’s Murray Basin Rail Project. Further investments to connect the Port of Portland via Maroona to the Portland Line would help to unlock the region’s potential.

In Infrastructure Victoria’s Infrastructure Strategy 2021-25, recommendation 79 encourages development of the Murray Basin

Rail project plan.<sup>5</sup> Following promising preliminary discussions with the Commonwealth we believe this business case will demonstrate the benefits of improving the Port of Portland’s freight rail access and facilitate partnership across all levels of government.

KEY PROJECTS

**Further investment in the Warrnambool Line**

The Federal Government has committed funding for the Warrnambool Line, it is set to be delivered in two stages:

Stage 1, now underway, includes:

- building a new crossing loop.
- signalling upgrades between Waurn Ponds and Warrnambool
- level crossing upgrades (complete).

Stage 2 includes:

- upgrades to train detection technology at more than 50 public level crossings, and
- a stabling upgrade at Warrnambool Station.

The next step is to ensure the line offers 6 services per day (double the current capacity) and provides passengers internet connectivity for the entirety of their journey. The Group also calls on the State Government to improve the rolling stock on the line and introduce the new modernised ‘sprinter’ trains to cut the commute time in half.

Furthermore, the group requests a State Government funding commitment in the forward estimates for 2022-23 for VLocity trains to replace the current antiquated, unreliable locomotive-drawn service on the Warrnambool Line.

**Funding to revise and complete the Murray Basin Rail Project (MBRP)**

Endorsed by Victoria’s Infrastructure Strategy 2021-2051

The Victorian Government’s Murray Basin Rail Project (MBRP) was developed to standardise a large part of the Western Victorian Rail Network to increase freight efficiency.

SWV Alliance calls on Federal and State Governments to revise this plan and come to a new agreement informed by the project’s business case review to complete the MBRP.

**Upgrade the Maroona to Portland Rail Line**  
**Project cost: \$30 million**

Endorsed by Victoria’s Freight Plan and Victoria’s Infrastructure Strategy 2021-2051

<sup>5</sup> Victoria’s Infrastructure Strategy 2021-25, Infrastructure Victoria, pg. 219







## DIGITAL

Local businesses, students and workers are now dependent on reliable digital infrastructure. The region's geographic size and disparate population centres has made it difficult for commercial telecommunications companies to justify building appropriate digital infrastructure in our region.

In order to address these pressing challenges the region needs state and federal government support to attract investment in digital infrastructure.

With the increase in people working from home, significant strain has been placed on broadband and mobile networks across SWV, which are

already subject to 262 mobile blackspots.<sup>6</sup> Demand pressures on already stretched regional digital networks are impacting business productivity and telecommunications accessibility across the region.

Improving the access and reliability of digital and mobile networks is essential as these modes of working and learning are already integral to everyday life.

Through the SouthWest Victoria Regional Partnership, the Great South Coast Digital Plan has been developed to address issues of mobile coverage and access to business-grade broadband in significant population areas.

### KEY PROJECTS

#### **Expansion of IoT network to enable high value agriculture** **Project cost: \$3 million to facilitate a further \$3 million investment**

Expansion of the SWV region's IoT network connectivity would enable investment into IoT applications and technology in high-value agricultural activities.

#### **Funding to implement all recommendations from Great South Coast Digital Plan**

Launched in March 2020, the Great South Coast Digital Plan is an evidence-based, place-based analysis of the supply of and demand for digital services and skills.

The Great South Coast Digital Plan complements other regional Plans prepared by the Government to strengthen local economies and communities across regional Victoria – including Infrastructure, Transport, Skills and Growth Plans.

Specifically, we ask that the;

- State Government reviews and extends its regional telecommunications advocacy; provides co-investment funding and pilot programs; and facilitates regional Internet of Things (IoT) and 5G developments.
- Commonwealth Government continues and extends mobile blackspot co-funding program; mandate that the telecommunications industry meets stronger NBN service connection and maintenance requirements.

#### **Funding for the Great South Coast Digital Innovation Hubs Pilots** **Project cost: \$1 million over three years**

A feasibility assessment has identified Hamilton and Portland as locations to trial digital hubs as outlined in the Great South Coast Regional Digital Plan.

The SWV Alliance believes the hubs will influence NBN high performance technology deployment and facilitate digital literacy training. With high bandwidth services unavailable to many in the SWV region, digital hubs would improve equity of access to disadvantaged communities.

## 2. GROWING OUR ECONOMY

### FOOD AND FIBRE

SWV is the largest food and fibre region in Victoria, producing \$2.3 billion in agricultural output annually. The food and fibre industry drives the local economy and creates job opportunities in the region.

SWV farms produce more than one quarter of Victoria's beef and around one third of Victoria's dairy and sheep. Broad acre cropping, food processing, aquaculture and forestry are additional regional strengths. The region is also home to the Port of Portland, through which the Victoria's agricultural, forestry and mining products are exported.

### KEY PROJECTS

#### **Develop pilot projects from the Great South Coast Green Hydrogen Strategy** **Project cost: \$750,000, outlined in Great South Coast Economic Futures report**

Green hydrogen manufacturing opportunities should be developed in Warrnambool and Portland. The region is home to several strategic assets, including Deakin University's Warrnambool campus, the Mortlake gas generator and the Portland aluminium smelter.

#### **Upgrade region to three-phase power** **Project cost: \$10 million investment expected to be recovered in 5 years**

Endorsed by Victoria's Infrastructure Strategy 2021-2051.

In order for the renewable energy zone identified in Victoria's South West to be developed the region's connection to the electricity grid will need to be improved. Upgrading power lines along a stretch shorter than 100kms would improve connectivity for Tyrendarra, Strathdownie, Cape Bridgewater and Gorae West customers.

Improved power infrastructure will enable better water management on farms and enable more sustainable agricultural practices.

#### **Drive local food and fibre economy – groundwater** **Project cost: \$3 million investment to support 150 farms**

Southern Grampians Shire has implemented Low-Power Wide-Area Network (LoRaWAN) technology to enable Smart Farming Practices. This technology facilitates smarter groundwater use which will ensure more sustainable farming practices.

Supporting the expansion of this network would allow for the improvement of agricultural activities and management of the Dilwyn Acquirer.



**SWV FARMS PRODUCE  
MORE THAN ONE  
QUARTER OF  
VICTORIA'S BEEF**



**\$2.3 BILLION  
IN AGRICULTURAL  
OUTPUT ANNUALLY**



TOURISM

Tourism is one of the largest drivers for the local economy.

With international borders not expected to open for broader tourism visitation until 2022, it is unlikely SWV will see visitor numbers return to pre- COVID levels for years to come. Our region’s tourism industry is of national importance and support is critical to avoid further erosion of the industry.

According to Austrade, the nation’s tourism losses for the year ending March 2021 were \$82.9 billion. SWV lost 250,000 international overnight visitors, or a million nights’ worth of revenue, and 800,000 day visitors.<sup>7</sup>

Exacerbating the loss of international visitors is the unreliability of domestic travel. In the March quarter 2021, the region had begun to see signs of recovery with overnight trips to regional Victoria up by 6 per cent. However, domestic visitor numbers have proven unreliable as states lockdown to manage COVID-19 outbreaks. Without JobKeeper support businesses are being eroded by disruptions to the flow of travellers to their attractions and venues.

Our most optimistic estimates suggest that spending in the region’s visitor economy in 2022/23 compared to 2018/19 levels will fall by 3 per cent, pessimistic analysis shows a decline of 9 per cent in 2022/23. In 2020/21 the region’s visitor economy experienced a 26 to 36 per cent drop in spending and between 3,403 and 4,711 jobs lost.

International visitors ensure our tourism economy remains viable year round and will be central to seeing spending in the visitor economy increase. Pre-pandemic, midweek visitors to SWV were 30 per cent domestic and 70 per cent international, signalling the importance of international tourists to businesses during non-peak periods.

Once international borders re-open, SWV must continue to attract visitors to the region’s rich natural assets and unique cultural tourism offerings, as well creating much-needed new jobs in the visitor economy.

KEY PROJECTS

Extend Recovery for Regional Tourism Program

The Federal Government’s \$50 million Recovery for Regional Tourism Fund supports nine tourism regions which are heavily reliant on international tourism. Analysis from Tourism Research Australia ranked the Great Ocean Road the third most visited place in regional Australia by international travellers in 2019 with 1,046,347 visitors. The Great Ocean Road ranked above the Great Barrier Reef (Daytrip), Byron Bay, Hobart and Port Douglas. SouthWest Victoria, home to the Great Ocean Road, Port Campbell, the Twelve Apostles and Budj Bim is a key regional tourist region and should be included in this program

Acceleration of Tower Hill Reserve Revitalisation

The Victorian Government has identified the Tower Hill Reserve as an area that should be activated given its proximity to Budj Bim. The final plan is due to be released in 2021.

The Victorian Government recently announced \$11.3 million for upgrades at Tower Hill Wildlife Reserve as part of the \$2.7 billion COVID-19 pandemic works stimulus package.

SWV Alliance hopes to work with the Victorian Government to accelerate the delivery of this project and strengthen the local tourism industry.

Diversification High Value Tourism – Site Identification and concept plan for Geothermal Hot Springs  
Project cost: \$300,000, outlined in Great South Coast Economic Futures report

Between Geelong and the South Australian border, approximately 400 volcanoes have been identified. This creates conditions for geothermal water in Dilwyn aquifer which sits under most of SouthWest Victoria.

The scale of water required for hot springs tourism is negligible compared to town or agricultural uses. By contrast, the value creation on offer from such water in settings such as luxury spa resorts would make this the most productive of all water uses by far.

WORKFORCE & SKILLS

As identified by the Victorian Government’s SouthWest Victoria Regional Skills Taskforce – not only is there a general shortage of workers to fill jobs in the region, there is a growing shortage of skills within the region. In 2018, the Victorian Skills Commissioner noted, with regard to SWV, “a supply of locally skilled workers to underpin growth is critical.”<sup>8</sup>

For SWV industries to prosper, there must be a reliable stream of skilled workers and learning opportunities aligned to the current and future economic needs of the region. In order to attract businesses to create jobs SouthWest Victoria needs to be able to accommodate the highly skilled workforces of modern businesses.

In addition to investment attraction, diversification of the local economy is critical for our future economic resilience. According to Victorian Government data, the agriculture, forestry and fishing industry saw a 10 per cent reduction in jobs across the state between 14 March and

14 November 2020. In addition, 22.6 per cent of accommodation and food service sector jobs disappeared state-wide in the same time period.<sup>9</sup> With the agriculture and hospitality sectors employing approximately 17 per cent and 21 per cent of the region’s workforce, our dependence on the agricultural and hospitality sectors leaves us vulnerable to fluctuating commodity prices as well as range of disasters and emergencies.

While SWV welcomes the restart of the Seasonal Worker Programme there is still a significant skills gap not only in the agricultural sector but also in construction and energy production.

Skilled local jobs create new opportunities for young people and other residents to find rewarding careers locally, which has flow-on benefits across the region’s economy and community.

KEY PROJECTS

Develop Food and Fibre careers and pathways  
Project cost: \$450,000 over 3 years

It is estimated the area will see a 30 per cent growth in food and fibre jobs by 2035 – 39 per cent of these jobs will require a vocational qualification; while 19 per cent of these jobs will require a university degree.

A food and fibre careers and pathways initiative will:

- establish programs in schools promoting this career path;
- prepare clearer career pathways and address skills gaps and education;
- build leadership programs for this sector; and
- support more integrated learning opportunities.

Establish a GROW program for the SWV region  
Project cost: \$600,000 over 3 years

The region would significantly benefit from a Growing Regional Opportunities for Work (GROW) program.

GROW programs have had success across Victoria in Bendigo, Ballarat, Shepparton and Gippsland.

The program is focussing on generating job opportunities for key target groups – including young people, transitioning workers, Aboriginal people and the long-term unemployed.

The three elements of the GROW program include:

- redirecting procurement spend towards local business;
- creating jobs through local inclusive employment approaches; and
- cultivating impact funding and investment opportunities

8 Victorian Skills Commissioner, 2018 Regional Skills Demand Profile: The Great South Coast  
9 Coronavirus (COVID-19) impact on Victoria’s Visitor Economy, April 2021, Tourism, Events and Visitor Economy Research Unit



# 3. A SUSTAINABLE SOUTH WEST

## HOUSING

SWV member councils are challenged by not having sufficient budgets for infrastructure investment. This creates limited opportunities for the development of new assets. With strong growth in the regions predicted, there is concern about the long-term impact of underinvestment in enabling infrastructure.

As rural municipalities with smaller populations but large areas to maintain, government support in providing enabling infrastructure is critical to ensure the liveability and economic strength of the SWV region.

### KEY PROJECT

**Investment in Essential Worker Housing Supply Action Plan and New Infrastructure Grant Program**  
**Project cost: \$5 million (\$20,000 support for 250 lots)**

Federal and State Governments have previously managed regionally-focused grants. Provide financial support to pilot a process that reduces costs of service provision for residential subdivisions identified in the Key Worker Housing report in Hamilton, Mortlake, Port Campbell, Portland and other towns across South Western Victoria.

## WATER

SWV understands there are potentially significant economic benefits by using available groundwater resources for high value agriculture. However, there are regulatory barriers blocking these opportunities. At the same time, the region needs to address climate challenges for water management and opportunities to secure water resources for the future.

The Western Region Sustainable Water Strategy was released in 2011. Of the 69 actions from the Strategy, 17 are still only partly achieved or not yet achieved. We are calling for a new and focussed South West Sustainable Water Strategy to focus on realising underutilised groundwater for high value agricultural enterprise and sustainably planning for a drying climate.

### KEY PROJECT

**The development of a new South West Sustainable Water Strategy**

The following policy innovation should be implemented as a matter of urgency:

- Extension of groundwater licence duration to 30 years (from 15 years)
- Upstream trading on regulated rivers
- Unbundling of groundwater licences
- Improved water monitoring
- Preserving cultural values of Lake Condah



## HEALTH

SWV welcomes the Victorian Government's investment in mental health support, particularly in relation to the continued support for Hospital Outreach Post-Suicidal Engagement in Warrnambool, and the announcement of a new Youth Prevention and Recovery Care Unit in the Grampians region.

This is an important issue in the region as the SWV continues to experience poor health outcomes compared to Victoria's averages, including lower life expectancy, higher propensity for obesity among adults, and a greater number of mental health treatment plans.

The Western Victoria Primary Health Network (WVPHN) have long advocated for the adoption of telehealth services in regional Victoria. The pandemic forced the WVPHN to implement a telehealth trial to improve access to healthcare services for particularly remote clients. Almost eight per cent of respondents said they would use telehealth again and importantly recommend it to another person. 78 per cent rated their experience in the trial as either good or excellent.

The expansion of telehealth and mental health services is critical for the ongoing health and wellbeing of residents in Victoria's South West.

### KEY PROJECTS

**Investment in a community-based care site in the SWV region, providing a 'front door' support service**

The SWV seeks to be one of the first 20 new local service sites in Victoria providing a 'front door' for care – joining locations already announced such as Benalla, Greater Geelong and Latrobe Valley.

**Grow Our Own Mental Health Workforce – Internship Pilot**  
**Project cost: \$280,000 supporting 10 placements over 2 years**

In order to deliver the Victorian Government's ambitious mental health agenda in Victoria's South West our regional mental health workforce needs to be bolstered.

Funding required to support the rigorous supervision and accreditation requirements for discipline specific mental health psychology and social work graduates through paid internships



## SouthWest Victoria ALLIANCE

**SWV stands ready to support the Commonwealth and Victorian Government's response and recovery to the COVID-19 pandemic through short-term investment opportunities that will have an immediate impact on the regional economy, and longer term priorities which offer higher-growth economic productivity.**

To discuss the opportunities outlined in this document, please contact:

**Cr Anita Rank**  
Chair, SouthWest Victoria Alliance  
Mayor, Glenelg Shire

P: (03) 5522 2520  
E: [anita.rank@cr.glenelg.vic.gov.au](mailto:anita.rank@cr.glenelg.vic.gov.au)

**Greg Burgoyne**  
Chief Executive Officer  
Glenelg Shire

E: [gburgoyne@glenelg.vic.gov.au](mailto:gburgoyne@glenelg.vic.gov.au)

*Thanks to Great Ocean Road Tourism for providing the images in this publication.*



## Assessment of the beneficial enterprise

Section 111 consideration	Assessment
Assessment of the total investment involved and the total risk exposure and ensure that its total risk exposure does not exceed its total investment	Council's total investment over the three year term is estimated to cost approx. \$67k. In the event that the company is wound up, and Council is a member at that time or during the 12 months prior, then as a member Council would be required to contribute an amount up to \$20.00. The company also indemnifies a person who is the Director of the company, subject to standard conditions.
Ensure that the corporation is a limited corporation	The Corporation is a limited corporation.
Have regard to the risks involved	<p>Council's financial risks are limited as outlined above. Council may be invited to participate in projects at additional cost. Such invitations will be support by a documented business case or similar.</p> <p>Council's reputational risk as a member is considered to be low as the alliance is an established entity with a strong reputation for respectful and constructive conduct.</p> <p>Other risks (including environmental and safety risks) are considered to be low the type of work undertaken by the entity are low risk activities such as attending meetings.</p>
Establish risk management arrangements	Financial risks are limited through the company constitution. The company reports regularly to the Board thus providing transparency of risks and issues to the Representative Councillor and CEO who can (i) contribute to decisions to mitigate the risks and (ii) raise issues with Council for further decision.
Implement regular performance monitoring and reporting arrangements in relation to the beneficial enterprise	The Council representative should be requested to provide a verbal update to Councillors at briefing sessions following Board meetings.
Ensure that any changes to the operation or purpose of the beneficial enterprise are reported to the Council	The CEO shall report changes to the operation or purpose of the entity to a Council meeting.
Identify and manage any risks associated with any changes to the operation or purpose of the beneficial enterprise	No risks are identified at this time.

Item: 8.2

## Proposed Sale of 69 McLachlan Street Apollo Bay - Method of Sale

<b>OFFICER</b>	Mark McLennan
<b>GENERAL MANAGER</b>	Tony McGann
<b>DIVISION</b>	Environment and Infrastructure
<b>ATTACHMENTS</b>	1. Photographs - Apollo Bay Kindergarten - 69 Mc Lachlan Street Apollo Bay - March 2022 [8.2.1 - 19 pages]

### 1. PURPOSE

To determine the method of sale for the Council owned property located at 69 McLachlan Street, Apollo Bay.

### 2. EXECUTIVE SUMMARY

Council resolved to sell the property known as 69 McLachlan Street, Apollo Bay (the property) at its February 2022 Council meeting. The resolution of Council included that the method of sale must be determined at a future meeting of Council.

There are a number of options available to Council to facilitate the sale of the property.

Council has previously submitted an Expression of Interest to Homes Victoria under its Regional Purchase Program in October 2021, seeking the Victorian Government to purchase the site and develop as affordable housing. Whilst this option remains open to Council, Homes Victoria has indicated that due to the rapidly changing property market and increase in property prices, Council does have an opportunity to submit a revised offer to Homes Victoria.

Alternatively, Council could sell the property on the open market via a number of mechanisms. The most relevant for this property is via a public auction or Expression of Interest process.



### 3. RECOMMENDATION

***That Council:***

- 1. Resolves to offer to sell the property known as 69 McLachlan Street, Apollo Bay to Homes Victoria for the amount stated in the Valuation dated 31 March 2022 provided in confidential Attachment 4.***
- 2. Authorises the Chief Executive Officer to arrange for the property known as 69 McLachlan Street, Apollo Bay to be sold by public auction, should Homes Victoria not accept Council's offer.***
- 3. Authorises the Chief Executive Officer, as part of an auction process, to accept an offer above Council's agreed auction reserve amount which will be determined through resolution at a Council meeting prior to the public auction.***
- 4. Authorises the Chief Executive Officer to execute all necessary documentation of, and incidental to, a contract of sale.***
- 5. Authorises the use of the common seal in accordance with Colac Otway Shire's Governance Local Law No 4 – 2020.***
- 6. Resolves to release the sale amount following the execution of a contract of sale.***
- 7. Considers the allocation of any surplus funds resulting from the sale of the property at a future Council meeting.***

### 4. KEY INFORMATION

At its meeting held on 24 August 2016, Council resolved to give “in principle support” for the sale of 69 McLachlan Street Apollo Bay, known as the Apollo Bay Preschool (the property), to fund its contribution to a new kindergarten facility planned by the Victorian School Building Authority (VSBA) on the Apollo Bay P-12 College.

On 16 December 2020, Council committed to use the proceeds from the sale of the property as a contribution to the Maternal and Child Health component of the new Apollo Bay Early Years Hub (the Hub). Council's contribution to the construction of the Hub is approximately \$353,000. In addition, Council has allocated \$80,000 in the 2021/22 budget for equipment and other expenses outside of the development agreement with the VSBA.

On 27 October 2021, Council resolved to give notice of its intention to dispose of the property in accordance with the Colac Otway Shire Acquisition and Disposal of Council Property Policy 2021 and the *Local Government Act 2020*. Council advertised a 'Notice of Intention to Sell Property' in the Colac Herald and Apollo Bay Newsheet, and on Council's Website, seeking public submissions for a period of six weeks from 4 November 2021 to 17 December 2021. Nine submissions were received.

On 23 February 2022, Council resolved to sell the property as per the resolution below.

***That Council:***

- 1. Acknowledges the written submissions received and thanks the submitters for their contribution to the land sale consideration process.***
- 2. Resolves to sell the property known as 69 McLachlan Street Apollo Bay.***
- 3. Determines the method of sale and allocation of the proceeds of sale at a future meeting of Council.***

**4. Notes that when Council considers any offer of purchase acceptance will be subject to the sale price and conditions being to the satisfaction of Council.**

As per the resolution, Council is required to formally determine its method of sale via a resolution of Council. There are a number of options available to Council.

**Options for Sale of the Property**

**Proposed Sale to Homes Victoria**

Through the Big Housing Build, the State Government has committed to spending \$5.3 billion over four years to establish approximately 12,000 new dwellings for social and affordable housing in Victoria. In September 2021, it opened a regional purchase scheme which seeks to purchase dwellings and or land in Regional Victoria to provide a mix of social and affordable homes.

Council submitted an Expression of Interest to Homes Victoria under its Regional Purchase Program in October 2021, seeking for the Victorian Government to purchase the site to develop as affordable housing. This was on the basis that affordable housing for key workers is a significant issue for Apollo Bay. Following ongoing discussions, Homes Victoria has indicated that due to the rapidly changing property market and increase in property prices, Council does have an opportunity to submit a revised offer to Homes Victoria through this program. The new offer would need to provide justification as to why consideration of a revised price is being sought. Whilst a new offer can be submitted, there are no guarantees that this request would be successful.

A key consideration is the sale price that Council would request. It is recommended that if Council pursues this option, it uses the formal valuation received in March 2022 as the basis for its asking price to ensure that Council is receiving a reasonable financial return.

If Council resolved to sell to Homes Victoria, there would be no agent's commission or marketing costs. This would result in savings that are estimated to be in the order of \$10,000 to \$17,000 in agent's fees.

**Public auction**

A property auction is a public sale governed by strict rules, including:

- The property must be advertised to take place at a specific location, time and date.
- Prospective buyers bid and the property is offered to the highest bidder.
- The auction must be conducted by an agent acting as an auctioneer.

This process should ensure that the probity level is high, as anyone can bid at an auction and become the owner of the property. It would also ensure that the market is tested, and the highest sale price achieved. There is no way of ensuring that a purchaser would be restricted to a specific use of the property, such as housing outcomes, with this method.

Council would need to decide on a reserve price prior to the auction advertising campaign. Generally, the auctioneer will be authorised to sell to the highest bidder once bidding has exceeded the reserve price set by Council. At the conclusion of the auction, Council would need to have an authorised representative available to execute the Auction Sale Contract. There is no 3-day cooling off period when a property is sold by Public Auction.

### ***Pre-auction offers***

If Council agrees to consider pre-auction offers, buyers can make an offer through an agent before the auction. This may be in the form of a signed contract and the process of negotiation is the same as a private sale. If the buyer makes Council an offer and it is accepted less than three clear business days before the auction date, the buyer does not get a cooling-off period. This method may raise speculation about the transparency and fairness of the process.

### **Private sale by negotiation (Private Treaty)**

A private treaty sale occurs when a property is listed for sale with an asking price or price range and a potential purchaser presents an offer to Council via an agent. Council can decide whether or not to accept the offer. Generally speaking, negotiations go back and forth between the vendor and the purchaser via the real estate agent until a price is agreed upon. While Council may have an end-date in mind, unlike an auction there is usually no deadline to sell the property. The property can be on the market for as long as it takes to achieve the vendor's desired price. Council would have an opportunity to consider any offer at a Council Meeting or could alternatively set a minimum price that it would accept and delegate to the CEO the ability to negotiate a final amount.

A risk is that, between the time an offer is received and Council considering the same, the purchaser may change their mind and withdraw the offer. There is a three-day cooling off period in the event that the property is sold as a residence.

As for the pre-auction offer process, this method may raise speculation about the transparency and fairness of the process.

### **Expressions of Interest Process**

An Expression of Interest (EOI) campaign is a sale process whereby prospective buyers are invited to submit their highest and best offer in writing to purchase a property, on or before a nominated closing date and time. Council would be provided with the range of proposals to consider and decide upon these at a Council Meeting.

This process would be suitable if Council considers it should impose any conditions to the sale, such as an intended use for the property by the purchaser. An EOI process can be run internally by Council or externally by an Agent. If an Agent is engaged to run an EOI process, there would be a commission payable (estimated to be 1% to 1.5% of the sale price) and there would be costs associated with marketing.

### **Marketing and Commission costs**

Two licenced real estate agents have submitted estimated marketing and commission costs associated with an Expression of Interest, sale by private sale or public auction (as at Confidential Attachments 1, 2 and 3). The range of this expense is estimated to be between \$10,000 and \$17,000.

### **Summary**

It is recommended that Council submit a revised offer to Homes Victoria, with the offer price based on the updated valuation received in March 2022 (as at Confidential Attachment 4). The revised proposal would be for development as affordable housing for key workers, which would provide the greatest combined financial and social benefit to the community.

Should Homes Victoria not accept Council's revised offer, Council needs to decide on the preferred method of sale and set a timetable for the commencement of the marketing campaign. The following options are available to Council:

1. Undertake an Expression of Interest process (if Council proposes a non-financial benefit from the sale of the property, such as specific housing or other outcomes); or
2. Engage an Estate Agent to commence a Public Auction process, preferable commencing in early Spring or Summer 2022.

It is recommended that if Homes Victoria does not accept Council's revised offer, that Council proceed with selling the property via a public auction. Council would need to set a reserve price closer to the auction date via a formal resolution of Council.

## 5. CONSIDERATIONS

### **Overarching Governance Principles** (s(9)(2) LGA 2020)

Priority is to be given to achieving the best outcomes for the community, including future generations. The ongoing financial viability of the Council is to be ensured. Council decisions are to be made and actions taken in accordance with the relevant law.

### **Policies and Relevant Law**

This report has been prepared considering the following legislation and Council policies – the *Local Government Act 2020*, *Sale of Land Act 1962*, *Transfer of Land Act 1958* and Council's Acquisition and Disposal of Council Property Policy.

### **Environmental and Sustainability Implications** (s(9)(2)(c) LGA 2020)

Not applicable to this report.

### **Community Engagement** (s56 LGA 2020 and Council's Community Engagement Policy)

Community engagement has previously taken place regarding Council's intention to sell the property. Council has considered submissions to this process and resolved to sell the property.

### **Public Transparency** (s58 LGA 2020)

This matter is being considered in an open Council meeting however some information has been withheld which deal with commercial matters that would prejudice the sale process if released. It is recommended that any sale details be released to the public upon a contract being executed.

### **Alignment to Plans and Strategies**

The recommendations made in this report align with the Council Plan 2021-2025.

### **Financial Management** (s101 Local Government Act 2020)

Council has previously resolved to use the proceeds of sale for its contribution to the development of the Apollo Bay Early Years Hub, specifically the Maternal and Child Health component and car parking. This is estimated at \$353,000 as per the development agreement with the VSBA. In addition, Council has allocated \$80,000 in the 2021/22 budget for equipment and fit out that wasn't part of the construction agreement with the VSBA.

Should the sale amount exceed the commitment to the Early Years Hub, Council will need to determine how it wishes to use these funds. Officers recommend that Council determines the

allocation of funds at a future time once it understands the sale amount, considering Council's overarching priorities and its financial position.

**Service Performance** (*s106 Local Government Act 2020*)

Not applicable to this report.

**Risk Assessment**

All risk in relation to sale of land will be managed in accordance with the advice of Council's Solicitors.

**Communication/Implementation**

Should Council proceed with a revised offer to Homes Victoria, officers will submit the offer at the earliest opportunity.

Should Council determine to sell the land via a public auction, it is anticipated that this would occur in Spring or Summer 2022.

**Human Rights Charter**

Council officers have considered if anything in this report impacts on any person's human rights in accordance with the Human Rights Charter. There is nothing in this report that impacts on any person's human rights.

**Officer General or Material Interest**

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

**Options**

The options are referred to in the body of this report and the subsequent recommendation to Council.

## Apollo Bay Kindergarten Layout

### Bathroom 1



### Bathroom 2





## Apollo Bay Kindergarten Layout

### Bathroom 3 - Toilet



### Bathroom 4



## Apollo Bay Kindergarten Layout

Entrance 1





## Apollo Bay Kindergarten Layout

Entrance 2



Kitchen 1



## Apollo Bay Kindergarten Layout

### Kitchen 2



### Kitchen 3



Apollo Bay Kindergarten Layout

Main Room - Gas Heater



Main Room - Sink Area



Apollo Bay Kindergarten Layout



Room 1 – Office 1

Apollo Bay Kindergarten Layout



Room 1 – Office 2

Apollo Bay Kindergarten Layout



Room 1 – Office 3



Apollo Bay Kindergarten Layout



Main Room 1

### Apollo Bay Kindergarten Layout



Main Room 2



Main Room 3



Apollo Bay Kindergarten Layout



Main Room 4



Main Room 5

Apollo Bay Kindergarten Layout



Main Room 6

Apollo Bay Kindergarten Layout



Main Room 7



Apollo Bay Kindergarten Layout



Main Room 7

Apollo Bay Kindergarten Layout



Room 2 – Storeroom 1

Apollo Bay Kindergarten Layout



Room 2 – Storeroom 2



Apollo Bay Kindergarten Layout



Room 2 – Storeroom 3

Apollo Bay Kindergarten Layout



Item: 8.3

## Establishment of Apollo Bay Senior Citizens' Centre Community Asset Committee

<b>OFFICER</b>	Peter Macdonald
<b>GENERAL MANAGER</b>	Ian Seuren
<b>DIVISION</b>	Development and Community Services
<b>ATTACHMENTS</b>	Nil

### 1. PURPOSE

The purpose of this report is to establish the Apollo Bay Senior Citizens' Centre Community Asset Committee in accordance with section 65 of the *Local Government Act 2020*.

### 2. EXECUTIVE SUMMARY

The Apollo Bay Senior Citizens' Centre building is owned and managed by Council, however bookings for the venue have been variously delivered by Council, Great Ocean Road Health/Otway Health and the Marrar Woon Neighbourhood House over the years.

A user group of community volunteers has been acting in an advisory capacity since 2017 and has approached Council requesting to become a Community Asset Committee. The request is based on a desire for a more active role in the ongoing management of the facility, including bookings and oversight of a hire fee structure that would enable the Committee to be self-sufficient in its management of the facility (on behalf of Council).

This report proposes that the Apollo Bay Senior Citizens' Centre Community Asset Committee (located at 4 Whelan Street, Apollo Bay) be established under section 65 of the Act, along with membership.

### 3. RECOMMENDATION

***That Council:***

- 1. In exercise of the power conferred by section 65 of the Local Government Act 2020:***
  - 1.1. Establishes from the date of this resolution, as a Community Asset Committee, the Apollo Bay Senior Citizens' Centre Community Asset Committee (Committee).***
  - 1.2. Determines that the purpose of the Committee is to manage the Council facility known as the Apollo Bay Senior Citizens' Centre at 4 Whelan Street, Apollo Bay, in accordance with delegated duties and functions.***
  - 1.3. Determines that the members of the Committee are:***
    - 1.3.1. Sally Forrester***
    - 1.3.2. Cathy Donovan***
    - 1.3.3. Stephanie Goodlet***
    - 1.3.4. Talisha McCann***
    - 1.3.5. Di Clarke***
    - 1.3.6. Jade Forest.***
- 2. Notes that the Committee will make recommendations to a future meeting of Council concerning:***
  - 2.1. A change to the facility's name; and***
  - 2.2. Setting the user fees and charges for the Community Asset.***

### 4. KEY INFORMATION

#### **Community Asset Committees**

Council and local communities have benefited for several years from the voluntary work of various special committees formed under section 86 of the previous *Local Government Act 1989* (superseded by the *Local Government Act 2020*). These special committees were created for the purpose of undertaking daily operational and maintenance activities at nominated halls, tennis and recreation reserves. The committees also create greater local connection and bring knowledge that results in more effective use of the facilities.

Council currently has 21 Community Asset Committees established to manage various halls, tennis and recreation reserves in the Colac Otway Shire.

Under the *Local Government Act 2020* (Act), Council may resolve to establish a Community Asset Committee for the purpose of managing an asset in the municipality. The powers and functions of the committee are delegated by Council's Chief Executive Officer pursuant to section 47 of the Act. The Committee will report to the Chief Executive Officer, who in turn reports annually to the Council on the activities of the Community Asset Committee.



Section 47 of the Act outlines the role of the Chief Executive Officer in delegating powers to the Community Asset Committee:

**47 Delegations by the Chief Executive Officer**

- 1) *The Chief Executive Officer may by instrument of delegation delegate any power, duty or function of the Council that has been delegated to the Chief Executive Officer by the Council to-*
  - a) *A member of Council staff; or*
  - b) *The members of a Community Asset Committee.*

Council has the responsibility of establishing or disbanding committees under section 65 of the *Local Government Act 2020*. It also has responsibility for membership to these committees, appointing new members through Council resolution. Where a vacancy occurs, the Committee may submit nominations to the Council for appointment to fill the vacancy, or Council may choose to fill the vacancy or call for public nominations/expressions of interest.

The *Local Government Act 2020* doesn't set any timeframes for the term of membership and the Instrument of Delegation issued by the Chief Executive Officer will not refer to membership criteria or appointments. A review of all Community Asset Committees membership (except this one) will be undertaken by December 2022, in accordance with the Council resolution of 22 April 2020.

Broadly, the Instrument of Delegation issued by the Chief Executive Officer to Community Asset Committee members will cover:

- ❖ Powers and functions.
- ❖ Governance requirements (including but not limited to):
  - Committee composition
  - Meeting procedures
  - Conflict of Interest
  - Communications
  - Member training
  - Occupational Health and Safety
  - Child Safe Standards
  - Banking
  - Procurement.
- ❖ Monitoring and reporting on performance and activities:
  - Asset use, management and maintenance and reporting (including Maintenance Schedule)
  - Financial management.
- ❖ Indemnity.
- ❖ Exceptions, conditions and limitations.

Under the *Local Government Act 2020*, only Council has the power to set user fees and charges relating to Council properties and assets, regardless of whether they are operated directly or under delegation. This means that the Community Asset Committee may make recommendations to Council, through the Chief Executive Officer, to set user fees and charges for the community asset. This advice will be sought from Committees to allow that advice to be considered as part of the annual budget process.

## **Background on the Apollo Bay Senior Citizens' Centre**

The Apollo Bay Senior Citizens' Centre is built on property acquired by the Otway Shire Council in 1975. Information provided to Council by the Apollo Bay Historical Society states that the building was established in the late 1970s/early 1980s with support of government funding for the establishment of senior citizens' centres.

The property comprises a detached, single storey, circa 1980s brick veneer constructed building utilised as a function hall. Design of the building incorporates an entry foyer, function room (with a stage), meeting room, commercial kitchen, male and female amenities, two offices and additional storage rooms.

It is located on the northern side of Whelan Street, approximately 300 metres west of the main retail precinct of Apollo Bay. Surrounding development includes a mix of residential dwellings and short-term accommodation style properties

The Apollo Bay Senior Citizens' Centre was managed by Otway Health (now Great Ocean Road Health) for a period of 10 years, with them relinquishing management on 1 September 2016. At this time the management of the facility reverted to the Colac Otway Shire Council. Council undertook the establishment of a booking system and maintenance to continue the availability of the facility to various individuals and user groups. Since 2020, the Marrar Woorn Neighbourhood House has managed the bookings.

## **Current status**

The user group in 2020 felt that the local community should take on responsibility for managing the bookings at the facility, via the Marrar Woorn Neighbourhood House, as a first step to forming a Community Asset Committee. The group has undertaken business and strategic planning workshops to determine the structure for a Community Asset Committee and recommended future uses of the facility, ensuring that there is acknowledgement of its past as a Senior Citizens' Centre.

## **5. CONSIDERATIONS**

### **Overarching Governance Principles (s(9)(2) LGA 2020)**

Community Asset Committees provide an opportunity to achieve the best outcomes for the municipal community, including future generations, through ensuring the local effort and knowledge is harnessed through the management of community assets.

### **Policies and Relevant Law (s(9)(2)(a) LGA 2020)**

Community Asset Committees are established in accordance with section 65 of the *Local Government Act 2020*.

### **Environmental and Sustainability Implications (s(9)(2)(c) LGA 2020)**

Not Applicable.

### **Community Engagement (s56 LGA 2020 and Council's Community Engagement Policy)**

An Apollo Bay Senior Citizens' Centre User Group was formed in February 2017. This group has continued to meet and has had substantial input into the management of the facility. The group has continued to engage with its community on the future of the facility and to recruit members to the

proposed committee. By enabling the formation of a Community Asset Committee, Council will be supporting a community-driven management model for the facility.

#### **Public Transparency** (s58 LGA 2020)

The establishment of the Community Asset Committee, including membership, is transparent to the community through via this report and the decision being made in open session of Council (and the meeting being recorded). The Instrument of Delegation will be made available to any member of the public upon request.

#### **Alignment to Plans and Strategies**

Alignment to Council Plan 2021-2025:

Theme 2 - Valuing the Natural and Built Environment

Objective 5: Provide and maintain an attractive and safe built environment

Theme 3 – Healthy and Inclusive Community

Objective 2: People are active and socially connected through engaging quality spaces and places

Objective 3: We are a safe, equitable and inclusive community

Theme 4 – Strong Leadership and Management

Objective 2: We are a financially robust organisation

Objective 4: We support and invest in our people

#### **Financial Management** (s101 Local Government Act 2020)

Applicable Financial Management Principles include:

- Revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans.
- Accounts and records that explain the financial operations and financial position of the Council must be kept.

Financial governance and reporting requirements will be set out in the Chief Executive Officer's Instrument of Delegation.

#### **Service Performance** (s106 Local Government Act 2020)

Community Asset Committees provide valuable service to the community and regular users of the facilities which they assist Council in managing. This allows responsive service that is delivered from within the community.

#### **Risk Assessment**

The facility is currently managed directly by Council in conjunction with the user groups. The appointment of a Community Asset Committee will place the management of the facility with the community. If the committee ceased operations the facility would revert to Council management.

#### **Communication/Implementation**

The Committee members will be provided with information about the establishment of the committee and their appointment as members of the new committee following Council's consideration of this item.

## **Human Rights Charter**

The instrument of Delegation states that the Community Asset Committee will “manage the (Facility) in the best interests of the residents of the Colac Otway Shire Council” and “promote and facilitate recreational, cultural, community and educational pursuits at the Facility”.

## **Officer General or Material Interest**

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

## **Options**

### Option 1 – Establish a Community Asset Committee for the Apollo Bay Senior Citizens’ Centre

This option is recommended by officers as the group has undertaken extensive consultation with the community in regard to the facility’s usage and future management structure. They have also undertaken extensive business and strategic planning workshops to determine the structure for a management committee and the future uses of the facility.

### Option 2 – Council to continue to directly manage the Apollo Bay Senior Citizens’ Centre

This option is not recommended by officers as it will continue the current management of the facility by Council when there is a passionate group of community members who are prepared to undertake the management and future development of the facility.



Item: 8.4

## Contract 2206 - Supply and/or Delivery of Crushed Rock

<b>OFFICER</b>	Cameron Duthie
<b>GENERAL MANAGER</b>	Tony McGann
<b>DIVISION</b>	Environment and Infrastructure
<b>ATTACHMENTS</b>	Nil

### 1. PURPOSE

Council approval is required to award Contract 2206 - Supply and/or Delivery of Crushed Rock.

### 2. EXECUTIVE SUMMARY

Council tendered for the Supply and Delivery of Crushed Rock with tenders closing 28 January 2022.

Twelve submissions were received. It is intended to appoint the recommended tenderers to a panel contract arrangement which enables the Council to readily purchase a range of crushed rock and other road materials as required.

The scope of the work includes: supply of pavement material, loading materials into Council and contractor trucks and supply and cartage of materials as required.

The contract is a reoccurring contract, given the previous Contract 1909 expires on 11 April 2022. The term of the contract is three years from the date of the letter of acceptance and is subject to a two-year option (one year plus one year) to extend the contract that is exercisable solely at Council's discretion. The schedule of rates is fixed and not subject to adjustment for rise and fall.

The total contract value for the period offered, including potential extension periods (excluding GST), is estimated to be up to \$6,750,000.

Council is required to as a component of maintenance, renewal and reconstruction purchase a range of crushed rock and other road materials as required.

The new tender panel will give Council supply options for a minimum of three years commencing May 2022.

### 3. RECOMMENDATION

***That Council:***

- 1. Awards Contract 2206 – Supply and/or delivery of crushed rock, for a period of three years with the option of two one-year extensions, to the following tenderers:***
  - Birregurra Resources Pty Ltd***
  - DE Quarry Solutions Pty Ltd***
  - Coragulac Quarries***
  - Quik Connect Pty Ltd (Walsh Quarries)***
  - Holcim Australia Pty Ltd***
  - Evans Earthmoving Pty Ltd***
  - Boral Resources Pty Ltd***
  - Hoare Bros Pty Ltd***
  - Local Mix Quarries***
  - Frank Russell Pty Ltd***
  - WA Molan & Sons Pty Ltd***
  - Melis & Sons Pty Ltd.***
- 2. Authorises the Chief Executive Officer to sign the contracts following award of Contract 2206 – Supply and/or delivery of crushed rock.***
- 3. Authorises the Chief Executive Officer to perform all roles of the Principal for Contract 2206 – Supply and/or delivery of crushed rock.***

### 4. KEY INFORMATION

Tenders closed on 28 January 2022 for the schedule of rates tender for the supply of crushed rock, sealing aggregate and pavement materials. The request to tender was advertised via printed media, Colac Otway Shire website and e-Procure.

The scope of the contract includes the supply of pavement material, the loading of materials into Council and suppliers' trucks and the cartage of materials to work sites.

The tender documents state that the Council intends to appoint various selected companies to undertake the required service. The proposed contract period is from 1 May 2022 (alternately from the date of the letter of acceptance) to 30 April 2025 (alternately three years from the date of the letter of acceptance).

The range of suppliers is intended to cater for the different products used for works and maintenance applications across the shire.

Tenders have been evaluated and a recommendation has been made in accordance with Council's Procurement Policy and Tenders/Quotations and Purchasing Procedure.

All tenders were evaluated and scored using the following selection criteria:

Criteria	Weighting
Capacity	15%
Capability	40%
Local purchasing	5%
Price	40%

The Tender Evaluation Panel consisted of the following members:

- OHS and Environment Officer, Services and Operations
- Capital Works Team Leader, Services and Operations, and
- Roads South Team Leader, Services and Operations.

## 5. CONSIDERATIONS

### Overarching Governance Principles (s(9)(2) LGA 2020)

Governance principles that are relevant to the procurement and supply of crushed rock are as follows:

- a. Council decisions are to be made and actions taken in accordance with the relevant law
- b. priority is to be given to achieving the best outcomes for the municipal community, including future generations
- c. innovation and continuous improvement is to be pursued
- d. the ongoing financial viability of the Council is to be ensured
- e. the transparency of Council decisions, actions and information is to be ensured.

### Policies and Relevant Law (s(9)(2)(a) LGA 2020)

- Colac Otway Shire - Council Plan 2021 – 2025
- *Environmental Protection Act (2017)*
- *Australian Environmental Protection and Biodiversity Conservation Act (1999)*
- *Victorian Catchment and Land Protection Act (1994)*
- *Road Management Act (2004)*
- *Local Government Act (2020)*

The following Codes of Practice apply (and can be found on the VicRoads website):

- Road Management Plans.
- Operational Responsibility for Public Roads
- Management of Infrastructure in Road Reserves
- Worksite Safety Traffic Management

### Environmental and Sustainability Implications (s(9)(2)(c) LGA 2020)

All projects and maintenance activities undertaken by Colac Otway Shire are undertaken in accordance with relevant environmental legislation and requirements.

- *Environmental Protection Act (2017)*
- *Australian Environmental Protection and Biodiversity Conservation Act (1999)*

**Community Engagement** (s56 LGA 2020 and Council's Community Engagement Policy)

Not applicable.

**Public Transparency** (s58 LGA 2020)

Not applicable.

**Alignment to Plans and Strategies**

Alignment to Council Plan 2021-2025:

Theme 1 - Strong and Resilient Community

Objective 3: Key infrastructure investment supports our economy and liveability

Theme 2 - Valuing the Natural and Built Environment

Objective 3: Protect and enhance the natural environment

Theme 3 – Healthy and Inclusive Community

Objective 3: We are a safe, equitable and inclusive community

Theme 4 – Strong Leadership and Management

Objective 2: We are a financially robust organisation

Theme 2 - Valuing the Natural and Built Environment

Objective 5: Provide and maintain an attractive and safe built environment

Theme 4 – Strong Leadership and Management

Objective 1: We commit to a program of best practice and continuous improvement

Objective 2: We are a financially robust organisation

Objective 3: We provide exceptional customer service

**Financial Management** (s101 Local Government Act 2020)

The supply of road construction and maintenance materials is budgeted within individual projects and programs which are required to allow for adequate funding including an allowance for these materials.

Council is under no obligation to provide any or all of the services to a particular supplier and suppliers will be engaged as required with no guarantee of any specific work.

**Service Performance** (s106 Local Government Act 2020)

The creation of a panel of preferred suppliers for crushed rock will assist in the provisions of services that are:

- equitable and responsive to the diverse needs of the municipal community;
- accessible to the members of the municipal community for whom the services are intended;
- delivered meeting quality and costs standards for services set by the Council; and
- fair, equitable and effective.

**Risk Assessment**

There are no identified significant Workplace Health and Safety implications associated with this report.



The successful tenderers are required to provide adequate documentation for occupational health and safety requirements including site specific potential hazard assessment for Safe Work Method Statements (SWMS).

The successful tenderers are required to provide appropriate insurance.

By following the tender process, the Council ensures compliance with its responsibilities under the *Local Government Act 2020*.

### **Communication/Implementation**

The Contract shall become effective for three years from the date of the letter of acceptance with the option of a two-year (one year plus one year) extension, solely at the discretion of the Council.

Council will engage suppliers as required during the contract period.

### **Human Rights Charter**

Not applicable.

### **Officer General or Material Interest**

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

### **Options**

Option 1 – Award the panel contract to the 12 suppliers as per the recommendation in this report.

This option is recommended by officers as a requirement to deliver road Maintenance and capital works projects.

Option 2 – Do not award the contract and re advertise tender

This option is not recommended by officers as the 12 suppliers will comfortably meet Colac Otway Shire's needs to supply and or deliver crushed rock materials and other road materials.

The current contract has expired so awarding a new contract is required to maintain compliance with the procurement policy and procedures.

Option 3 – Do not award the contract to any suppliers

This option is not recommended by officers as Colac Otway Shire is required to procure road materials to maintain its current road network and also complete capital works projects.

Not having a tender panel of this nature would cause procurement issues with purchasing.

Item: 8.5

## Contract 2207 - External Plant Hire

<b>OFFICER</b>	Cameron Duthie
<b>GENERAL MANAGER</b>	Tony McGann
<b>DIVISION</b>	Environment and Infrastructure
<b>ATTACHMENTS</b>	Nil

### 1. PURPOSE

Council approval is required to award Contract 2207 – External Plant Hire.

### 2. EXECUTIVE SUMMARY

Council invited suitable firms to participate in a tender process for the supply of external plant, with operator (wet hire).

Tenders closed on 28 January 2022 for the supply of external plant, with operator (wet hire) and plant without operator (dry hire). Thirty-two submissions were received.

Council is expected to use the external plant hire contracts, under a panel contract arrangement, to select suitable plant, labour and equipment to supplement its own plant fleet both on road construction and maintenance programs. It is intended to appoint various selected contractors from a panel to undertake the required service.

The contract is a reoccurring contract, given the previous Contract 1910 expires on 11 April 2022. The term of the contract is three years from the date of the letter of acceptance and is subject to a two-year option (one year plus one year) to extend the contract that is exercisable solely at Council's discretion. The schedule of rates is fixed and not subject to adjustment for rise and fall.

The estimated total contract value over the term including potential extension periods (excluding GST) is an estimated expenditure of \$1,350,000.

Council is required to as a component of maintenance, renewal and reconstruction to select and hire suitable plant, labour and equipment to supplement its own plant fleet.

The new tender will give Council supply options for a minimum of three years commencing May 2022.

### 3. RECOMMENDATION

***That Council:***

- 1. Awards Contract 2207 – External Plant Hire, for a period of three years with the option of two one-year extensions, to the following tenderers:***
  - ***R Slater & sons Pty Ltd***
  - ***Gellibrand River Tree Farm Nursery Pty Ltd***
  - ***Apollo Bay Sawmill***
  - ***McNaughton Excavations***
  - ***Bitu-mill (civil) Pty Ltd***
  - ***Evans Earthmoving Pty Ltd***
  - ***Coragulac Quarries***
  - ***LJ Atkinson Pty Ltd***
  - ***Stabilized Pavements Australia (SPA)***
  - ***Richardson Transport (Vic) Pty Ltd***
  - ***Bartlett Environmental***
  - ***Otway Civil Pty Ltd***
  - ***Colac Landscape Supplies Pty Ltd***
  - ***Regional Contractors***
  - ***A & K Tucker Excavations Pty Ltd***
  - ***Hiway Stabilizers***
  - ***Coates Hire Operations Pty Ltd (Corporate)***
  - ***Stabilco Pty Ltd***
  - ***Conplant Pty Ltd***
  - ***PJ & T McMahon's Excavations***
  - ***All Terrain Civil and Plant Hire***
  - ***Porter Plant.***
- 2. That Council authorises the Chief Executive Officer to sign the contracts following award of Contract 2207 – External Plant Hire.***
- 3. That Council authorises the Chief Executive Officer to perform all roles of the Principal for Contract 2207 – External Plant Hire.***

### 4. KEY INFORMATION

Tenders closed on 28 January 2022 for the supply of plant with operator (wet hire) and plant without operator (dry hire). The request to tender was advertised via printed media.

Council is expected to use external plant hire contracts to select suitable plant, labor and equipment to supplement its own plant fleet both on road construction and maintenance programs.

The range of suppliers are intended to meet the Council's requirements for road construction and maintenance heavy plant for various infrastructure projects and maintenance activities throughout the Shire.

The tender documents state that the Council intends to appoint various selected companies to undertake the required service. The proposed contract period is from 1 May 2022 (alternately from the date of the letter of acceptance) to 30 April 2025 (alternately three years from the date of the letter of acceptance).

Thirty-two submissions were received with a recommendation to approve 22 contractors for the panel. The other ten submissions have not been included in the panel due to a low total score, location and limited amount of opportunities that can be provided to Council.

Tenders have been evaluated and a recommendation has been made in accordance with Council's Procurement Policy and Tenders/Quotations and Purchasing Procedure.

All tenders have been evaluated and scored using the following selection criteria:

Criteria	Weighting
Capacity	25%
Capability	25%
Local Content	5%
Price	45%

The Tender Evaluation Panel consisted of the following members:

- Manager Service and Operations;
- OHS and Environment Officer, Services and Operations; and
- Roads Maintenance North Team Leader, Services and Operations.

## 5. CONSIDERATIONS

### Overarching Governance Principles (s(9)(2) LGA 2020)

Governance principles that are relevant to the procurement and supply wet and dry hire is as follows:

- a. Council decisions are to be made and actions taken in accordance with the relevant law
- b. priority is to be given to achieving the best outcomes for the municipal community, including future generations
- c. innovation and continuous improvement is to be pursued
- d. the ongoing financial viability of the Council is to be ensured
- e. the transparency of Council decisions, actions and information is to be ensured.

### Policies and Relevant Law (s(9)(2)(a) LGA 2020)

The delivery of projects and maintenance activities by Colac Otway Shire are in accordance with

- Colac Otway Shire - Council Plan 2021 – 2025
- *Environmental Protection Act (2017)*
- *Australian Environmental Protection and Biodiversity Conservation Act (1999)*
- *Victorian Catchment and Land Protection Act (1994)*
- *Road Management Act (2004)*
- *Local Government Act (2020)*

The following Codes of Practice apply (and can be found on the VicRoads website):

- Road Management Plans



- Operational Responsibility for Public Roads
- Management of Infrastructure in Road Reserves
- Worksite Safety Traffic Management

#### **Environmental and Sustainability Implications (s(9)(2)(c) LGA 2020)**

All projects and maintenance activities undertaken by Colac Otway Shire are undertaken in accordance with relevant environmental legislation and requirements.

- *Environmental Protection Act (2017)*
- *Australian Environmental Protection and Biodiversity Conservation Act (1999)*

#### **Community Engagement (s56 LGA 2020 and Council's Community Engagement Policy)**

Not applicable.

#### **Public Transparency (s58 LGA 2020)**

Not applicable.

#### **Alignment to Plans and Strategies**

Alignment to Council Plan 2021-2025:

Theme 1 - Strong and Resilient Community

Objective 3: Key infrastructure investment supports our economy and liveability

Theme 4 – Strong Leadership and Management

Objective 1: We commit to a program of best practice and continuous improvement

Objective 2: We are a financially robust organisation

Theme 2 - Valuing the Natural and Built Environment

Objective 5: Provide and maintain an attractive and safe built environment

Theme 4 – Strong Leadership and Management

Objective 1: We commit to a program of best practice and continuous improvement

Objective 2: We are a financially robust organisation

Objective 3: We provide exceptional customer service

#### **Financial Management (s101 Local Government Act 2020)**

The supply of plant and equipment is budgeted within individual projects and programs which are required to allow for adequate funding including an allowance for these materials.

Council is under no obligation to provide any or all of the services to a particular supplier and suppliers will be engaged as required with no guarantee of any specific work.

#### **Service Performance (s106 Local Government Act 2020)**

The creation of a panel of preferred suppliers for wet and dry hire will assist in the provisions of services that are:

- equitable and responsive to the diverse needs of the municipal community;
- accessible to the members of the municipal community for whom the services are intended;
- delivered meeting quality and costs standards set by the Council; and
- fair, equitable and effective.

## **Risk Assessment**

All suppliers offering Wet Hire are subject to an internal WHS assessment.

There are no identified significant Workplace Health and Safety implications associated with this Report.

The successful tenderers are required to provide adequate documentation for occupational health and safety requirements including site specific potential hazard assessment for Safe Work Method Statements (SWMS).

The successful tenderers are required to provide appropriate insurance.

By following the tender process Council ensures compliance with its responsibilities under the *Local Government Act 2020*.

## **Communication/Implementation**

The contract shall become effective for three years from the date of the letter of acceptance with the option of a two-year (one year plus one year) extension, solely at the discretion of Council.

Council will engage suppliers as required during the contract period.

## **Proposed timeframes**

- Council endorsement - 27 April 2022.
- Contract start date - 1 May 2022 (alternately from the date of the letter of acceptance).
- Contract finish date - 30 April 2025 (alternately three years from the date of the letter of acceptance).
- Potential contract extensions - two years (one year plus one year solely at the discretion of the Council).

## **Human Rights Charter**

Not applicable.

## **Officer General or Material Interest**

No officer declared an interest under the *Local Government Act 2020* in the preparation of this report.

## **Options**

Option 1 – Award the panel contract to the 22 suppliers as per the recommendation in this report.

This option is recommended by officers as Council is expected to use external plant hire contracts to select suitable plant, labor and equipment to supplement its own plant fleet both on road construction and maintenance programs.

The range of suppliers are intended to meet the Council's requirements for road construction and maintenance heavy plant for various infrastructure projects and maintenance activities throughout the Shire.

Option 2 – Do not award the contract and re advertise tender

This option is not recommended by officers as the 22 suppliers will comfortably meet Colac Otway Shire's requirements to supply wet and dry plant hire to supplement our existing fleet.

Option 3 – Do not award the contract to any suppliers

This option is not recommended by officers as Colac Otway Shire is required to source wet and dry plant hire to complete road construction and various infrastructure projects and maintenance activities throughout the Shire.

Not having a tender panel of this nature would cause procurement issues with purchasing.

