

M(3) – 25 MARCH 2025

# Ordinary Council Meeting

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Agenda

Notice is hereby given that the next **Ordinary Council Meeting** of the **Alpine Shire Council** will be held in the Bright Council Chambers, 2 Churchill Avenue, Bright on **25 March 2025** commencing at **12:00 am**.

## Agenda

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# 1 Recording and livestreaming of Council meetings

*The CEO will read the following statement:*

All council meetings are filmed with both video and audio being recorded.

Video is focused on a specific area however audio from the entire room is captured.

In common with all narrative during Council meetings, verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes. By submitting a question, you consent to your question being read aloud at the meeting.

The reasoning behind recording council meetings is to hold us more accountable and improve transparency of Council's decision-making to our community.

The full meeting is being streamed live on Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

# 2 Acknowledgement of Traditional Custodians and recognition of all people

*All to stand, the Mayor will read the following statement:*

Alpine Shire Council acknowledges the Taungurung peoples as the Traditional Owners of the lands on which we are meeting today. Council also acknowledges all of the Traditional Owners of the wider lands of the area known as the Alpine Shire.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

# 3 Confirmation of minutes

## 3.1 ORDINARY COUNCIL MEETING M(2) 25 FEBRUARY 2025

### **RECOMMENDATION**

*That the minutes of M(2) 25 February 2025 as circulated be confirmed.*

# 4 Apologies

# 5 Obituaries / Congratulations

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to obituaries and congratulations.

# 6 Declarations by Councillors of Conflict of Interest

## 7 Public Questions

Public Question time will be held in accordance with the following provisions of Council's Governance Rules:

### G5 Public Question Time

GS3. Questions submitted to Council may be:

Submitted as a "Question on Notice" to the Chief Executive Officer in writing by 5pm on the day prior to the Council meeting, stating the name and contact details of the person submitting the question; or

During meetings held wholly in-person, at the Chairperson's discretion, asked directly by a member of the public gallery at the Council meeting during public question time.

GS4. No person may submit or ask more than two questions at any one meeting.

GS7. Questions should be limited to items of public interest, and are not intended to replace Council's ordinary Customer Request process. A question may be disallowed by the Chairperson if the Chairperson determines that it:

- is not related to an item on the agenda;
- relates to a matter outside the duties, functions and powers of Council;
- is defamatory, indecent, abusive, offensive, irrelevant, trivial or objectionable in language or substance;
- deals with a subject matter already answered;
- is aimed at embarrassing a Councillor or a member of Council staff;
- relates to confidential information as defined in s3 of the Act;
- relates to the personal hardship of any resident or ratepayer; or
- relates to any other matter which the Council considers would prejudice the Council or any person.

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.

## 8 Presentation of reports by officers

### 8.1 CHIEF EXECUTIVE OFFICER - WILL JEREMY

#### 8.1.1 Contracts approved under delegation by the CEO

##### **RECOMMENDATION**

*That the Capital Project Contracts approved under delegation by the CEO be noted.*

<b>Contract No:</b>	<b>26125</b>	<b>Process:</b>	<b>RFQ</b>
<b>Title:</b>	<b>Footpath Renewal and Construction - Bright and Myrtleford</b>		
<b>Tenderer:</b>	<b>McPhersons Earthmoving Contractors Pty Ltd</b>		
<b>Budgeted Amount:</b>	<b>\$93,000.00</b>		
<b>\$ (+ GST):</b>	<b>\$88,112.00</b>		

<b>Contract No:</b>	<b>26123</b>	<b>Process:</b>	<b>RFQ</b>
<b>Title:</b>	<b>Bridge Renewal - Fibbiales Bridge</b>		
<b>Tenderer:</b>	<b>North East Civil Construction Pty Ltd</b>		
<b>Budgeted Amount:</b>	<b>\$154,000.00</b>		
<b>\$ (+ GST):</b>	<b>\$161,947.00</b>		

<b>Contract No:</b>	<b>26132</b>	<b>Process:</b>	<b>RFQ</b>
<b>Title:</b>	<b>Eurobin Station Landscaping &amp; Civil Works</b>		
<b>Tenderer:</b>	<b>Stadelmann Group Pty Ltd</b>		
<b>Budgeted Amount:</b>	<b>\$178,000.00</b>		
<b>\$ (+ GST):</b>	<b>\$108,834.00</b>		

<b>Contract No:</b>	<b>26139</b>	<b>Process:</b>	<b>RFQ</b>
<b>Title:</b>	<b>Hicks Lane &amp; Barwidgee Creek Rail Trail Bridge</b>		
<b>Tenderer:</b>	<b>Toisch Pty Ltd</b>		
<b>Budgeted Amount:</b>	<b>\$127,000.00</b>		
<b>\$ (+ GST):</b>	<b>\$145,543.00</b>		

## 8.2 DIRECTOR ASSETS - ALAN REES

### 8.2.1 Sealing of Unsealed Roads Policy

#### INTRODUCTION

This report relates to the draft Sealing of Unsealed Roads Policy No.38, Version 3.1 which has been developed for consideration and approval for release to the community for consultation.

#### **RECOMMENDATION**

*That Council:*

- 1. Approves the draft Sealing of Unsealed Roads Policy No.38, Version 3.1 for community consultation in accordance with its Community Engagement Policy for a period of no less than 28 days;*
- 2. Invites public submissions on the draft Sealing of Unsealed Roads Policy No.38, Version 3.1;*
- 3. Reviews and considers public submissions; and*
- 4. Considers a recommendation to adopt the Sealing of Unsealed Roads Policy No.38, Version 3.1 at a future ordinary Council meeting.*

#### BACKGROUND

The proposed Sealing of Unsealed Roads Policy aims to provide a clear framework for the prioritization, selection, and management of unsealed roads to be sealed within the municipality. The Policy is necessary to ensure a consistent, transparent and equitable approach to the prioritisation of road sealing projects for potential inclusion in Council's Road Upgrade Program.

#### ISSUES

This policy applies to all road sealing requests relating to roads listed in Council's Register of Public Roads, including requests received from individuals, businesses and other Government organisations. Council will also identify segments of roads as part of the Council Road Inspection Program.

The Sealing of Unsealed Roads Policy enables Council to assess and establish if a road meets the minimum requirements to be considered for sealing on Council's Road Upgrade Program Prioritisation List. The assessment of road sealing requests is based predominantly on the principle that the standard to which a road is to be constructed and maintained is directly related to the amount and type of traffic using the road.

A three-step process is used to assess road sealing requests and to prioritise eligible road sealing projects for future delivery. The steps in this process are:

1. Establish whether the traffic volumes on the road exceed the minimum comparative score of 100.
2. For road sealing requests where the comparative score exceeds 100, establish a provisional prioritisation for the delivery of the road upgrade program relative to the existing projects in the Road Upgrade Program Prioritisation List.
3. Validate the prioritisation of the road upgrade program in the Road Upgrade Program Prioritisation List.

The projects listed on the Road Upgrade Program Prioritisation List will always be subject to availability of funding and Council discretion through the annual Capital Works budgeting process.

**POLICY IMPLICATIONS**

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.5 Assets for our current and future needs

**FINANCIAL AND RESOURCE IMPLICATIONS**

Council has limited funds to spend on upgrading its road network, and road sealing projects will always be subject to availability of funding and the support of Council through the annual capital works budgeting process.

**RISK MANAGEMENT**

Risk	Likelihood	Impact	Mitigation Action / Control
Not having a Policy in place could mean roads are sealed when it is not a viable investment for Council.	Unlikely	Moderate	<ul style="list-style-type: none"> <li>• Implement a Policy that establishes a clear framework for the prioritization, selection of roads to be upgraded.</li> </ul>
The cost of a road upgrade is too expensive for Council to achieve annually.	Very likely	Moderate	<ul style="list-style-type: none"> <li>• The Council will prioritize roads based on the established criteria and seek external funding where available.</li> </ul>



## CONSULTATION

The current policy was developed through consultation with adjacent councils and has been reviewed by key members of Council's Engineering and Assets Department who hold responsibility for assessing road sealing requests and delivering road sealing/upgrade projects.

## CONCLUSION

The Draft Sealing of Unsealed Roads Policy has been developed for consideration and approval for release to the community for consultation. The Policy outlines the process to be followed when assessing road sealing requests, and for roads where traffic volumes exceed the minimum threshold to be considered for sealing, to establish the relative priority compared to other projects in the Road Upgrade Program Prioritisation List.

## DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Engineering and Assets

## ATTACHMENT(S)

Draft Sealing of Unsealed Roads Policy No.38, Version 3.1

1. **8.2.1.1 DRAFT COUNCIL POLICY - Sealing of Unsealed Roads**

## 8.2.2 Dinner Plain Snowmaking - Installation of Pump, Reservoir and Reticulation

### INTRODUCTION

This report relates to the award of a contract for installing a large reservoir (200,000lts), pump and associated reticulation infrastructure for snowmaking in Dinner Plain.

### RECOMMENDATION

*That Council:*

- 1. Awards Contract No. 26135 to ABC Civils Group Pty Ltd for the lump sum price of \$268,521 (GST Exclusive); and*
- 2. Delegates authority to the Chief Executive Officer to sign and seal the contract at the appropriate time.*

### BACKGROUND

The snowmaking project at Dinner Plain is fully funded through the Bushfire Tourism and Business Fund 2020 to aid the growth of rural Victoria by providing grants for infrastructure projects. Council recently installed a new water bore to provide a water supply specifically for snowmaking that reduces the dependency on the town's water supply.

The scope of this contract will reduce the dependency of snow making on the Dinner Plain town water supply through the construction of a large reservoir (200,000lts), pump and associated reticulation infrastructure.

It will also support the provision of a reliable snow covering at the ski and toboggan slope from mid-June to late-September each year, resulting in economic and social benefits for the Dinner Plain community and businesses year-round.

### EVALUATION

The tender was advertised on tenders.net on 27 February 2025, in accordance with Council's procurement Policy.

A total of 10 prospective tenderers downloaded the document and two submissions were received by the closing date.

The Tenders were evaluated according to the key selection criteria listed in the Invitation to Tender:

1. Price
2. Qualifications and Previous Performance
3. Delivery
4. Social
5. Environmental

Following the assessment of the tenders, it was determined that the tender from ABC Group best met the selection criteria requirements.

## ISSUES

Timeframes are extremely constrained as all work must be completed by the end of May 2025 to have an additional water supply available for this year's snow season and to meet the funding agreement timeline.

## POLICY IMPLICATIONS

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

4.5 Assets for our current and future needs

## FINANCIAL AND RESOURCE IMPLICATIONS

The total cost of this project is \$268,521 (GST exclusive) which is within the total adopted budget for this project and fully funded by the Victorian State Government through the Bushfire Tourism and Business Fund 2020.

## RISK MANAGEMENT

Key risks of the project are as follows:

Risk	Likelihood	Impact	Mitigation Action / Control
Loss of Funding: The project is to be completed before the start of the snow season to ensure Council retains the funding from the State Government.	Possible	Moderate	<ul style="list-style-type: none"> <li>The project must be approved and awarded as soon as possible.</li> </ul>

## CONSULTATION

All aspects of the project have been communicated with the following:

- Dinner Plain Community Association
- Alpine Shire Council Director Assets
- Alpine Shire Council Manager Engineering and Assets

## CONCLUSION

Following a tender evaluation assessment, site visits and reference checks, it is recommended that the contract be awarded to ABC Civils Pty Ltd.

## **DECLARATION OF CONFLICT OF INTEREST**

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Engineering and Assets
- Project Manager

## **ATTACHMENT(S)**

Nil

## 8.2.3 Purchase of Discontinued Road - Mount Beauty Airport

### INTRODUCTION

This report relates to the purchase of the discontinued government road to the north of the existing Mount Beauty Airport runway.

Alpine Shire Council (Council) had previously endorsed the discontinuance of the road at the Ordinary Council Meeting held on 9 November 2021. The discontinuance has been completed, and the Minister for Finance has approved the sale to Council.

### RECOMMENDATION

*That Council:*

- 1. Resolves to purchase part of the discontinued road (comprising of Crown Allotment 2035 Parish Mullindolingong) for the following amount:*

<i>Purchase Price (incl. GST)</i>	<i>\$ 16,500.00</i>
<i>Admin Fee (incl. GST)</i>	<i>\$ 3,510.00</i>
<i>Statutory Fees (Free from GST)</i>	<i>\$ 269.55*</i>
<i>Survey/Valuation Reports (incl. GST)</i>	<i>\$ 2,787.77</i>
<i>Less deposit (already paid)</i>	<i>\$ 1,755.00</i>
<i>Total payment required</i>	<i>\$ 21,312.32</i>

*\* As the statutory charges are subject to review and may increase, Council authorises the payment of the statutory charges at the rate applicable at the time of payment;*

- 2. Authorises the Chief Executive Officer undertake all actions and to sign all documents required to give effect the purchase of the discontinued road; and*
- 3. Approves an unbudgeted spend of up to \$22,000.00 in the 2024/25 financial year to complete the purchase.*

### BACKGROUND

The minutes of the Ordinary Council Meeting held on 9 November 2021 provide a detailed background regarding the need to discontinue and purchase the government road.

In summary, in order for the runway to be extended, that part of the land comprising part of the discontinued government road must be acquired by Council. Council has undertaken the process to discontinue the road, on the basis that Council would then purchase part of the discontinued road.

The Minister for Finance has now approved the sale of part of the discontinued road (Crown Allotment 2035 Parish Mullindolingong) to Council.

## ISSUES

### *Extensive work*

Council has undertaken extensive work in relation to the Mount Beauty Airport extension and the acquisition of this now discontinued road is fundamental to that extension.

Council has already paid a deposit of \$1,755.00.

### *Land to be acquired*

The discontinued road is approximately 370m long by 20.13m wide. As well as traversing Council's land, it also runs through adjoining private property at either end as shown in Figure 1.

The area to be acquired by Council is that area shown as Allotment 2035 (1,994m<sup>2</sup>).

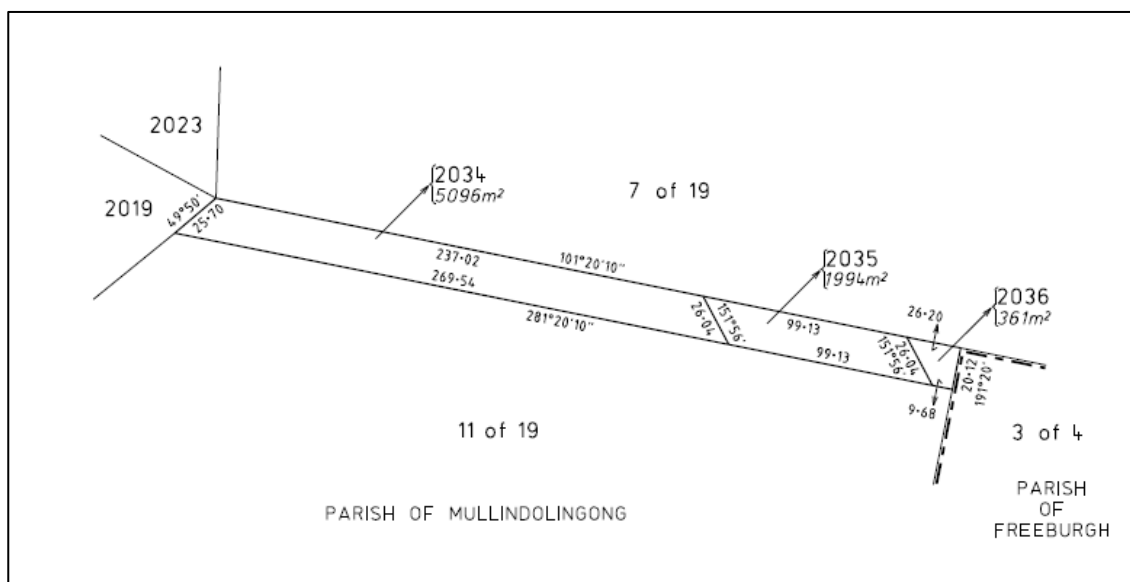


Figure 1: Discontinued Road

### *Next stages*

The process to complete the runway extension has involved multiple steps and this acquisition will enable Council to finalise this process.

## POLICY IMPLICATIONS

In accordance with section 112 of the Local Government Act 2020, Council may purchase any land which is or may be required by Council for or in connection with, or as incidental to, the performance of its functions or the exercise of its powers.

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.5 Assets for our current and future needs

## **FINANCIAL AND RESOURCE IMPLICATIONS**

There is no budget allocation in the 2024/25 budget for the acquisition of the discontinued road. Approval for unbudgeted expenditure of up to \$22,000 is requested.

## **RISK MANAGEMENT**

There are no known risks associated with this report.

## **CONSULTATION**

The public notice regarding the discontinuance of the road was published in the Alpine Observer on 22 September 2021 and allowed for submissions until 20 October 2021. No submissions were received.

## **CONCLUSION**

It is recommended that Council proceeds with the acquisition of the discontinued road, and authorises the Chief Executive Officer to undertake all actions and sign all documents required to effect the acquisition of the discontinued road.

## **DECLARATION OF CONFLICT OF INTEREST**

In accordance with section 130 of the *Local Government Act 2020* and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Growth and Future
- Property and Contracts Coordinator

## **ATTACHMENT(S)**

1. **8.2.3.1** M(13)-9 November 2021 Minutes ( F) - Extract Discontinuance of Government Road Mount Beauty Airport

## 8.3 DIRECTOR CORPORATE AND COMMUNITY - NATHALIE COOKE

### 8.3.1 Audit and Risk Committee Meeting Minutes - Meeting No.2024/25-4, 21 February 2025

#### INTRODUCTION

The purpose of the report is to present the (unconfirmed) minutes of the Audit and Risk Committee meeting No. 2024/25-4 held on 21 February 2025.

#### RECOMMENDATION

*That Council receives and notes the (unconfirmed) minutes of the Audit and Risk Committee meeting No.2024/25-4 held on 21 February 2025.*

#### BACKGROUND

The Audit and Risk Committee (Committee) minutes, and a report summarising the meeting content, must be reported to a meeting of Council within two months of the Committee meeting in accordance with section 5.2 of the Audit and Risk Committee Charter.

As the Committee has yet to confirm the minutes, they are presented to Council for noting as unconfirmed.

#### ISSUES

The Committee met on 21 February 2025 and considered several items including regular quarterly reports and standing items. The key items are summarised below.

#### *Cultural Transformation*

Council has been through significant change over the past few years and has recognised that its success is intrinsically linked to the satisfaction and engagement of its people and the communities in which it operates.

The Committee was given an overview of Council's Cultural Transformation Program which aims to create a cohesive, accountable, and efficient organisational culture that aligns leadership with staff expectations, increases operational efficiency, and creates a positive, thriving workplace that is capable of meeting both internal and community needs.

#### *Information & Communication Technology Cyber Security Update*

A report was presented to the Committee providing a status update on outstanding Victorian Auditor General's Office (VAGO) actions. The report highlighted the progress being made on the VAGO actions and the engagement of a cyber security support partner to address and resolve outstanding actions.



### ***Capital Works Update***

As part of continual risk management, the Committee receive a report on the status of capital projects at regular intervals to ensure any risks associated with project delays can be identified early and solutions for mitigation discussed.

### ***Asset Management Steering Group Report Update***

A report was provided to the Committee detailing the current focus of the Asset Management Steering group on a range of asset matters.

The Committee noted the significant amount of work underway by the Group, the improved Asset Register and condition information, and that asset maintenance activities are now being tracked.

### ***Audit and Risk Committee Charter Review***

The Audit and Risk Committee Charter is required to be formally reviewed every four years. The Committee considered the current review, noted the proposed changes, and endorsed the proposed amendments for Council consideration. The Charter review is the subject of a separate report to Council.

### ***Privacy Breaches***

The Committee was briefed on two privacy breaches that occurred between November 2024 and January 2025 noting that neither breach was a result of a deliberate attack on Council's Information Technology systems, the impacted persons were notified and Council responded immediately to resolve the issues to reduce the risk of these types of breaches reoccurring. Both matters were referred to the Office of the Victorian Information Commissioner (OVIC) with no further actions required.

## **POLICY IMPLICATIONS**

The recommendations are in accordance with the following Strategic Objective of the Council Plan 2021-2025:

5.2 A responsible, transparent, and responsive organisation

## **FINANCIAL AND RESOURCE IMPLICATIONS**

There are no financial or resourcing implications associated with this report.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
The oversight function of the Audit and Risk Committee is not adequately presented to a Council meeting.	Unlikely	Minor	Minutes are prepared within two weeks of the Audit and Risk Committee meeting and tabled at the next available Ordinary Council Meeting.

## CONSULTATION

The unconfirmed minutes from the meeting are distributed to the Audit and Risk Committee members, and presented formally at the following meeting for ratification.

## CONCLUSION

The Committee, being satisfied with the detail provided in its agenda and the Officer reports, submits the (unconfirmed) minutes of its meeting No.2024/25-4 held on 21 February 2025 to Council for noting.

## DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate and Community
- Manager Corporate
- Risk Management Officer

## ATTACHMENT(S)

1. **8.3.1.1** Unconfirmed Minutes of Audit and Risk Committee Meeting No.2024/25-4, 21 February 2025

## 8.3.2 Budget Report - Quarter Two Review 2024/25

### INTRODUCTION

The purpose of the 'Budget Report - Quarter Two Review 2024/25' (the 'Report') is to provide Council with an overview of the year-to-date results for the period ending 31 December 2024, and to provide an update on the forecast financial position against the full year budget.

### RECOMMENDATION

*That Council receives and notes the 'Budget Report - Quarter Two Review 2024/25' for the period ending 31 December 2024.*

### BACKGROUND

The Report provides Council with an overview of the year-to-date results and an update on the forecast financial position against the full year budget. Explanations are provided for variances to budget greater than \$100,000. This Report is prepared quarterly.

### ISSUES

Council is forecasting a full year surplus of \$10.8m, which is \$2.2m higher than the budgeted surplus of \$8.6m.

The published surplus position was primarily driven by recognition of capital grants funding received as projects were completed. The increase in the surplus position is driven by higher-than-expected income for capital grants and other income.

The forecasted variance to budget is the result of a mix of drivers. There is forecast additional income as well as increased expenditure in some areas, and reduced expenditure elsewhere. Full details can be reviewed in the attachment 'Budget Report Quarterly Review' for the period ending 31 December 2024.

#### **Forecast additional income of \$2.6m includes:**

- Capital Grants (\$2.1m)
  - Local Roads and Community Infrastructure (LRCI) grants (\$1,625k): Comprising of this year's, and a 10% balance of the last 3 years, LRCI grants. The amount able to be claimed from the program was not confirmed in time for 2024/25 Budget preparation.
  - Roads to Recovery grant funding (\$213k): Council was notified of an increase in the amount of this grant after the 2024/25 Budget process.
- Received and recognised income from grants expected to have been received in 2023/24 (\$277k):
  - Dinner Plain Business Case, Myrtleford Savoy Soccer Club, Bogong High Plains Road Blackspot and Mount Beauty Stadium Renewable Energy Upgrade. (\$277k); and

- Other Income (\$0.5m)
  - Receipt of Victorian Energy Efficiency Certificates received for upgrading streetlights (\$406k), omitted from the budget process due to uncertainty of timing.
  - Unbudgeted Mystic membership income from ACP (Alpine Community Plantations) (\$133k) following contract negotiations which were concluded in Q4 2023/24.

**Forecast additional expenditure (\$0.4m) includes:**

- Materials and services forecast additional expenditure due to:
  - Overspend of tree maintenance due to ongoing storms and ageing tree stock (\$161k).
  - Higher than budgeted Dinner Plain contracted maintenance (\$109k). Projected to exceed budget by approximately \$40k. Remainder due to budget phasing.
  - Unbudgeted workplace cultural transformation spend (\$100k).
  - Other unbudgeted buildings expenses (\$120k) due to budgeting oversight.
  - This has been offset by a \$99k reduction in operating public street lighting spend by implementing energy efficient light bulbs.

***Revised Budget***

The *Local Government Act 2020 (LGA 2020)* requires that an assessment be made as to whether a revised budget is required after the quarterly finance report is completed. A revised budget is required under the *LGA 2020* before any of the following can occur:

- A variation to the declared rates or charges;
- Undertaking any borrowings that have not been approved in the budget;
- A change to the budget that the Council considers should be the subject of community engagement.

At the end of the Q2 financial reporting period, none of these three items is forecast to occur, and Council is therefore not required to complete a revised budget for 2024/25.

**POLICY IMPLICATIONS**

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

5.2 A responsible, transparent and responsive organisation

**FINANCIAL AND RESOURCE IMPLICATIONS**

Council is forecasting a full year surplus of \$10.8m, which is \$2.2m higher than the budgeted surplus of \$8.6m.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Poor decision-making impacts on financial sustainability.	Rare	Major	<ul style="list-style-type: none"> <li>Quarterly reporting provides a snapshot of performance for Council. Maintaining rigour in financial reporting supports Council to make financially sustainable decisions.</li> </ul>

## CONSULTATION

Consultation has been carried out with Council Officers across the organisation in order to compile this report.

The report was tabled at the 18 February 2025 Finance Committee meeting and at the 21 February 2025 Audit and Risk Committee meeting for discussion.

No issues were raised.

## CONCLUSION

The Budget Report - Quarter Two Review 2024/25 for the period ending 31 December 2024 is presented for noting.

## DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate and Community
- Manager Corporate
- Accountant

## ATTACHMENT(S)

1. 8.3.2.1 Quarterly Budget Report Q 2 2024-25

### 8.3.3 Introduction of the Emergency Services and Volunteer Fund

#### INTRODUCTION

The purpose of the report is to inform Council about the implementation of the Emergency Services and Volunteer Fund from 1 July 2025.

#### **RECOMMENDATION**

*That Council notes the information contained in this report regarding the implementation of the Emergency Services and Volunteer Fund.*

#### BACKGROUND

On the 1 July 2013 the State Government introduced the Fire Services Property Levy (FSPL). The FSPL was introduced to create a funding stream for the Country Fire Authority (CFA) and Fire Rescue Victoria (FRV) (formerly Metropolitan Fire and Emergency Services Board (MFESB)). The FSPL replaced the previous Insurance Industry, State and Local government funded scheme for these two fire services. The State Government legislated that the FSPL would be collected from ratepayers by councils across Victoria on behalf of the State Revenue Office (SRO).

The SRO annually sets the FSPL rates (fixed and variable) and issues them to councils in April. Council calculates the FSPL per property and notifies ratepayers of their FSPL obligation through the Annual Rates notice process. All funds received by Council under the auspices of the FSPL are remitted to SRO on a quarterly basis. Annually Council is required to acquit the level of funds collected and remitted to SRO. On confirmation by SRO of the acquittal, Council receives a payment of approximately \$55,000 per annum. The amount is indexed each year.

#### ISSUES

On 13 December 2024, the Victorian State Government (State) announced that the FSPL would be replaced with the Emergency Services and Volunteer Fund (ESVF) from 1 July 2025.

The aim of the ESVF was to broaden the number of Emergency Services entities that would be funded through a tax on properties to include Victorian State Emergency Service (VICSES), Triple Zero Victoria, the State Control Centre, Forest Fire Management Victoria and Emergency Recovery Victoria as well as CFA and FRV. The amount to be collected by Council under the ESVF is set by the State and collected and remitted to the SRO (as it was with the FSPL).

The method of calculating the ESVF debt is the same method as used for the FSPL. The formula contains fixed and variable components. The fixed component is indexed by Consumer Price Index (CPI) annually while the variable charge is determined by the State, and will be notified each April for the following year.

The State has indicated that the variable component of the ESVF charge will increase between 64% and 189% depending on the property classification. On a median priced

house in the Alpine Shire of \$792,500, the cost increase in total has been calculated as being approximately \$72.00, equivalent to a 36% increase on the FSPL per annum.

Initially the State advised that CFA and Victoria State Emergency Service (VICSES) lifetime members and volunteers will be exempt from ESVF on their principal place of residence (PPR). The State has now advised that the PPR exemption is now going to be processed as a rebate administered by the State Government. Further details will be made available regarding the administration of the rebate at a later date.

Rates in the Alpine Shire, (as per the Council's *Revenue and Rating Plan*) are calculated based on the capital improved value (CIV) of a property. The CIV is determined by the Valuer General's Office, being the State Government's authority on statutory valuations.

Based on CIV values from 2024/25, the increase in revenue generated across the Alpine Shire from the change from FSPL to ESVF is calculated to be approximately \$2.1m, equivalent to an increase of 67.8% (an increase from \$3.2m to \$5.3m). This figure will be confirmed once the final (stage 4) valuations for 2025/26 are received from the Valuer General in June.

In the State Budget for 2024/25, VICSES, Triple Zero Victoria, the State Control Centre, Forest Fire Management Victoria and Emergency Recovery Victoria were funded via general State revenue. For 2025/26 the funding of these entities will shift from general State revenue to the ESVF.

It is noted that the increase in payments required in the move from the FSPL to the ESVF may have an impact on ratepayers' ability to pay. All financial hardship applications will be processed in accordance with Council's *Financial Hardship Policy*.

## **POLICY IMPLICATIONS**

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

5.2 A responsible, transparent and responsive organisation

## **FINANCIAL AND RESOURCE IMPLICATIONS**

Council anticipates that the implementation of the ESVF will create resource impacts on Council starting from April 2025. The first rates notice for 2025/26 will be delivered in late August / early September and will need to accurately reflect ratepayers' obligations regarding the ESVF.

Council will also be required to deliver changes to Council's rate system to ensure that the system can meet the requirements of the ESVF.

In preparation for an anticipated increase in workload in implementing the new charge and potentially in processing financial hardship applications, Council has allocated additional staff resources to the rates area. The State Government has indicated that additional funding will be provided to Council to assist with the management of the ESVF. At the time of the writing of this report it is uncertain how much this additional funding will be.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Council has insufficient resources to be able to collect the ESVF funds and process exemptions.	Very likely	Major	<ul style="list-style-type: none"> <li>• Council has allocated additional staff resources to manage the expected increase in workload.</li> <li>• Council has engaged with the rate's system provider regarding system changes that will be required to manage changes.</li> </ul>

## CONSULTATION

Council's responsibility in ensuring compliance to the ESVF is being legislated. The ESVF will be included in Council's Draft 2025/26 Budget, which will undergo a process of community consultation.

Many councils and coordinating bodies have provided feedback to the State Government regarding the implementation of the ESVF, including impacts on resourcing and potential financial hardship impact on communities.

## CONCLUSION

Implementation and resourcing impacts from the introduction of the Victorian State Government's new ESVF are being managed. The new charge will result in an increase in costs to the community. Further information will be provided when available on the rebate process for CFA and Victoria State Emergency Service (VICSES) lifetime members and volunteers, and other changes or impacts when they are known.

## DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate and Community
- Manager Corporate

## ATTACHMENT(S)

Nil



## 8.3.4 Audit and Risk Committee Charter Review

### INTRODUCTION

This report relates to a review of the Alpine Shire Council Audit and Risk Committee Charter.

### **RECOMMENDATION**

*That Council:*

- 1. Notes that a review of the Audit and Risk Committee Charter has been undertaken;*
- 2. Revokes the Audit and Risk Committee Charter (version 4.1);*
- 3. Adopts the Audit and Risk Committee Charter (version 5.0); and*
- 4. Sign and seals the Audit and Risk Committee Charter (version 5.0) at the appropriate stage of this meeting.*

### BACKGROUND

Council is required to have an Audit and Risk Committee under the Section 53 of the Local Government Act 2020 (The Act) and the Committee is required to have a Charter under Section 54 of The Act.

The Committee's primary purpose is to assist Council in the effective discharge of its responsibilities under The Act, providing Council with oversight and guidance in the effective conduct of its responsibilities for:

- Financial management and reporting
- Management of financial and other strategic risks
- Practical business continuity and disaster recovery plans and processes
- Maintaining a reliable and effective system of internal controls
- Governance and compliance with laws and regulations
- Facilitating the organisation's ethical development

The Audit and Risk Committee Charter (Charter) was last reviewed holistically in 2020.

Council approved an update to the Charter at the September 2023 Ordinary Council Meeting. This update focussed on updating Committee remuneration. At the same meeting, Council committed to conduct a full review of the Charter during the 2024/25 financial year.

Council officers commenced a holistic review of the Charter in late 2024. A reviewed Charter was provided to the Audit and Risk Committee (Committee) for review on 6 December 2024.

The Committee considered and discussed the reviewed Charter at its 21 February 2025 meeting.

## ISSUES

As part of the Charter review, charters from other councils Audit and Risk Committees were assessed to identify best practice.

Changes made to the Charter seek to strengthen the Charter and are summarised as:

- Section 3.3: Clarification regarding the eligibility of former Councillors and employees to be Committee members.
- Section 4.2: Clarification that Committee members are not required to provide personal interest returns.
- Section 5.3: An update to attendance and remuneration was approved by Council in September 2023. The Charter remuneration has been updated to reflect 2024/25 figures.
- Section 6.3: Cyber security risk added as an oversight function of the Committee.
- Section 6.4: Statement inserted regarding reporting of fraud (or possible fraud) to the Committee.
- Section 6.8: Requirement added for the Committee Chair to present a Committee performance report to a Council meeting.
- Removal of references to the *Local Government Act 1989*.
- Clarification of numbering by changing dot points to numbers to allow a clear link to the Committee's workplan.
- General updates throughout to improve clarity.

The reviewed Charter was presented to the Audit and Risk Committee on 21 February 2025 for discussion. The following key items were discussed:

- Section 3.1: Membership Composition - There was discussion reflecting the New South Wales Audit and Risk Committee model under the *Local Government Act NSW, 1993 No 30s428A*, where Councillors are not full Committee members. However, it is noted that the *Local Government Act (Vic) 2020 s53 (3(a))* requires the Committee to *include members who are Councillors of the Council*. It is also noted under Section 3.1 whether one or two Councillors are appointed as members of the Committee is at the discretion of Council; and
- Section 6.5: The involvement of the Audit and Risk Committee in the development of the internal audit workplan, which is included in section 6.5 (b).

Both matters have been resolved, and the agreed position is presented in the updated Audit and Risk Charter.

## POLICY IMPLICATIONS

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

## FINANCIAL AND RESOURCE IMPLICATIONS

There are no financial or resourcing implications associated with this report.

Financial remuneration for the independent members of the Audit and Risk Committee is included within the Annual Budget.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
An outdated or incomplete Charter leads to poor Audit and Risk Committee governance.	Rare	Moderate	<ul style="list-style-type: none"> <li>Regular review of the Charter in conjunction with other council Charters.</li> <li>Review Charter in line with sector updates and changes.</li> <li>Internal audit annual review of the Committee.</li> </ul>

## CONSULTATION

The reviewed Charter was provided to the Audit and Risk Committee on 6 December 2024 and discussed at the 21 February 2025 meeting of the Committee.

## CONCLUSION

It is recommended that Council adopts the Audit and Risk Committee Charter Version 5.0.

## DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate and Community
- Manager Corporate

## ATTACHMENT(S)

1. **8.3.4.1** Audit and Risk Committee Charter (v5.0)

## 8.3.5 Rating Strategy for Dinner Plain

### INTRODUCTION

The purpose for this report is to propose that Council does not declare a special rate in Dinner Plain Village for the 2025/26 financial year and brings Dinner Plain into the commercial/industrial differential rating strategy as applied to the rest of the Shire through the 2025 review of Council's *Revenue and Rating Plan*.

On finalisation of the 2024/25 special rate, the Dinner Plain Reserve (the Reserve) would be held with no further income attributed, a recommendation will be brought to a future meeting regarding management of the Reserve from 1 July 2025.

### RECOMMENDATION

*That Council:*

1. *Prepares the Draft 2025/26 Budget on the basis that a special rate will not be raised for Dinner Plain Village for the 2025/26 financial year;*
2. *Includes Dinner Plain in the definition and scope of the commercial/industrial differential rate in the draft Revenue and Rating Plan 2025, and undertakes public consultation on this draft;*
3. *Quarantines the Dinner Plain Reserve from 30 June 2025, with no further income to be allocated to the Reserve after 30 June 2025; and*
4. *Considers a recommendation at a future Council Meeting in relation to permitted expenditure from the Dinner Plain Reserve from 1 July 2025.*

### BACKGROUND

Council has established a rating structure comprised of three key elements. These are:

- General Rates - Based on property values (using the Capital Improved Valuation methodology), which are indicative of capacity to pay and form the central basis of the rating structure;
- Special Rate - Based on property values (using the Capital Improved Valuation methodology) and charged in addition to the general rates for commercial/industrial properties located within the Dinner Plain Village, which will defray the expense of an initiative of special benefit;
- Service Charges - A 'user pays' component of council services to reflect benefits provided by Council to ratepayers who benefit from a service, such as waste and recycling charges.

Council makes a further distinction when applying general rates by applying rating differentials based on the purpose for which the property is used. That is, whether the property is used for residential, commercial/industrial, or farming purposes.

Differential rates contribute to the equitable and efficient carrying out of Council functions. Further detail as to the scope, definitions, use of each rate, and the level of each rate can be found in Council's adopted and published *Revenue and Rating Plan 2021*.

- **General Rate:** The general rate is applied to every property unless the property falls into a specific rate category. The level of the general rate is 100%.
- **Farm Rate:** A differential rate is applied to farm land (as defined) at 73% of the general rate.
- **Commercial/Industrial Rate:** A differential rate is applied to commercial/industrial land (as defined) at 143% of the general rate (excluding properties in the Dinner Plain Village).

The use of special rates and charges at s.163 of the *Local Government Act 1989* are flexible and can be used to achieve a wide range of community objectives. The fundamental principle of special rates and charges is that a special benefit applies to those being levied. A special rate is required to be declared annually.

Historically Council has declared a special rate to defray expenses specific to ratepayers in Dinner Plain Village. In 2015/16 the declared special rate for Dinner Plain was payable by all ratepayers at 80.7%, reducing to 65% in 2016/17 and to 43% in 2017/18.

In 2018/19 the special rate was aligned to the differential rate for commercial/industrial properties in the rest of the Shire and was only paid by ratepayers who own commercial/industrial property in the Dinner Plain Village (including holiday lets). This approach to defraying expenses in Dinner Plain has continued through to 2024/25.

## ISSUES

### *Dinner Plain Special Rate*

All Dinner Plain properties are charged the general rate, including commercial/industrial properties, at the level of 100%.

In 2024/25 a special rate of 43% was declared to raise \$167,000 to fund the Dinner Plain rubbish service. The special rate of 43%, is collected from commercial/industrial properties in Dinner Plain Village on top of the 100% general rate they are charged, in effect equalising the 143% rate differential payable by commercial/industrial properties under the commercial/industrial differential rating structure in the rest of the Shire.

In not proposing a special rate for commercial/industrial properties in Dinner Plain Village for 2025/26, it is recommended that the commercial/industrial rate policy contained within the *Revenue and Rating Plan 2025* is drafted to include Dinner Plain in that scope. Public consultation on that Plan will be undertaken to ensure due consideration and feedback is received from relevant stakeholders and considered prior to the Plan being presented to Council for adoption in June 2025.

The removal of the special rate will remove revenue of approximately \$167,000 from the 2025/26 budget. As special rate funding is not considered a part of the Essential Services Commission rate cap this amount will effectively be forgone in 2025/26 if commercial/industrial properties in Dinner Plain Village are brought in under the rate cap structure, resulting in a small reduction in the rates payable over rate base overall.

A proposal to not declare a Dinner Plain special rate in 2025/26, does not preclude Council from introducing a special rate at some point in the future should the need arise and meet special rate requirements under legislation.

Council's Revenue and Rating Plan is required by legislation to be reviewed every four years and is due for review in 2025. A Revenue and Rating Plan should provide clear explanations of all decisions made by Council in implementing revenue and rating practices, including clear links under the Local Government Act 2020 to Council's:

Community Vision (Section 88):

Strategic Planning Principles (Section 89);

Council Plan (Section 90);

Financial Plan (Section 91); and

Asset Plan (Section 92).

Enacting a change to the rating strategy for Dinner Plain is being considered within the context of this suite of strategic planning currently being undertaken, and to provide for consistency of the rating structure across the Shire. It will also require changes to be made to the Revenue and Rating Plan and the Financial Plan in this year's review.

Although the 2024/25 raising of a special rate for commercial/industrial ratepayers in Dinner Plain was financially equivalent for those ratepayers as if they were rated under Council's commercial/industrial differential rate strategy, a special rate is not included in Council's rate cap.

Rate capping under the Victorian Government's Fair Go Rates System limits Council's ability to raise revenue above the rate cap unless application is made to the Essential Services Commission for a variation. Bringing Dinner Plain rating in line with the rating differential strategy ensures transparency to how rates are raised and provides for Dinner Plain rates to be regulated under the rate cap. It also streamlines Council's administration of Dinner Plain rates and allows Council to make robust and transparent decisions on how it calculates and collects revenue into the future.

### ***Dinner Plain Reserve***

Dinner Plain operates on a total cost recovery basis. If there is a deficit or surplus based on the difference between:

- a. All general and special rate income attributable to Dinner Plain and
- b. All general and special costs attributable to Dinner Plain

This is allocated to a reserve, namely the 'Dinner Plain Reserve' (the Reserve). This is inclusive of all relevant income and costs, including, for example, the general rates paid by Dinner Plain ratepayers; an apportionment of general Council grants; an apportionment of Council services relevant to Dinner Plain; an apportionment of Council overheads; all special rate costs; and all capital works expenditure in Dinner Plain.

It is proposed that the Reserve would cease to receive income as at 30 June 2025, with income going forward forming a part of general revenue, and that the balance of the

Reserve would be quarantined. Funds in the Reserve would be expended to support approved projects and services within Dinner Plain until such time as the Reserve is exhausted and subsequently closed.

Work is currently being undertaken to review the operation of the Reserve and to ensure all income and expenditure has been correctly attributed to allow for confidence in the final Reserve balance. A further public report will be prepared for Council consideration outlining the balance of the Reserve and proposed management of the Reserve post 30 June 2025.

## POLICY IMPLICATIONS

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

5.2 A responsible, transparent and responsive organisation

## FINANCIAL AND RESOURCE IMPLICATIONS

If Council supports not declaring a special rate, there will be a reduction in revenue of approximately \$167,000 for 2025/26. In 2024/25 these funds were received to run the Dinner Plain bus service. This proposal assumes the continuation of the operation of the Dinner Plain bus service which would be funded within Council's operational budget.

## RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
The Dinner Plain special rate declaration is not undertaken in accordance with the Act invalidating the Rate charge.	Unlikely	Moderate	<ul style="list-style-type: none"> <li>Each stage of the declaration process is checked to ensure it meets the requirements of the Act, Revenue and Ratings plan and Ministerial Guidelines</li> <li>Not declaring a Dinner Plain does not have associated legal requirements.</li> </ul>
The Dinner Plain Reserve is insufficient to cover the approved projects at Dinner Plain.	Rare	Minor	<ul style="list-style-type: none"> <li>Quarterly reporting on the Dinner Plain Reserve is undertaken compared to the approved projects.</li> </ul>

<p>A reduction in Council's income for 2025/26 impacts Council's ongoing financial sustainability.</p>	<p>Possible</p>	<p>Moderate</p>	<ul style="list-style-type: none"> <li>• Council manages its financial sustainability through responsible budgeting and transparent reporting.</li> <li>• Council's 10 year financial plan will include the key assumptions on income and expenditure and inform decision making to ensure ongoing financial sustainability.</li> </ul>
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**CONSULTATION**

The Revenue and Rating Plan outlines Council's decision-making processes on how revenue is calculated and collected. The following public consultation process will be followed to ensure due consideration and feedback is received from relevant stakeholders, including the Dinner Plain community.

Revenue and Rating Plan community engagement process:

- Draft Revenue and Rating Plan placed on public exhibition at an Ordinary Council Meeting and open for public submissions;
- Community engagement through a public notice in the local newspaper;
- Hearing of public submissions; and
- Final Revenue and Rating Plan (including any revisions) presented to Council for adoption.

**CONCLUSION**

It is proposed that Council does not declare a special rate in Dinner Plain Village for the 2025/26 financial year and brings Dinner Plain into the commercial/industrial differential rating strategy as applied to the rest of the Shire through the 2025 review of Council's *Revenue and Rating Plan*. This will result in an overall reduction in funds of \$167,000 for 2025/26 as the commercial/industrial properties in Dinner Plain Village rating structure is brought under the rate cap.

On finalisation of the 2024/25 special rate, the Dinner Plain Reserve would be held with no further income attributed and the remaining balance of the Dinner Plain Reserve is expended over time to support projects and services specific to Dinner Plain.



## **DECLARATION OF CONFLICT OF INTEREST**

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate and Community
- Manager Corporate

## **ATTACHMENT(S)**

Nil

## 9 Informal Meetings of Councillors

### INTRODUCTION

In accordance with Chapter 8, section A1 of Council's Governance Rules, if there is a meeting of three or more Councillors that:

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

The Chief Executive Officer must ensure that a summary of the matters discussed at the meeting are tabled at the next convenient Council meeting and are recorded in the minutes of that Council meeting.

### **RECOMMENDATION**

*That the summary of informal meetings of Councillors for February / March 2025 be received.*

### BACKGROUND

The written records of the informal meetings of Councillors held during the previous month are summarised below. Detailed records can be found attached to this report.

Date	Meeting
18 February	Briefing Session
25 February	Briefing Session
11 March	Briefing Session

### ATTACHMENT(S)

Nil

10 Presentation of reports by delegates

11 General business

12 Motions for which notice has previously been given

13 Reception and reading of petitions

14 Documents for sealing

**RECOMMENDATION**

*That the following documents be signed and sealed.*

1. *Alpine Shire Council Audit and Risk Committee Charter (version 5.0)*

15 Confidential reports

16 Closure of meeting