

Agenda

Special Council Meeting

Monday, 16th September 2024

Commencing at 7.00pm -
Council Chamber
1230 Nepean Highway, Cheltenham

This is the Agenda for the Council Meeting. For assistance with any agenda items, please call our free interpreting service on 131 450

Αυτή είναι η Ημερήσια Διάταξη της Συνεδρίασης του Δημοτικού Συμβουλίου. Για βοήθεια με οποιοδήποτε θέμα της ημερήσιας διάταξης, καλέστε τη δωρεάν υπηρεσία μας για διερμηνεία στο 131 450

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Il presente è l'ordine del giorno della seduta di consiglio. Per ricevere assistenza con le voci dell'ordine del giorno, chiamare il nostro servizio di interpretariato gratuito al numero 131 450

Đây là Chương Trình Nghị Sự của buổi Họp Hội Đồng Thành Phố. Để được hỗ trợ về bất kỳ mục nào trong chương trình họp, vui lòng gọi điện thoại đến dịch vụ thông dịch miễn phí theo số 131 450

यह काउंसिल की मीटिंग के लिए एजेंडा है। एजेंडे से जुड़ी किन्हीं चीज़ों के साथ सहायता के लिए, कृपया हमारी निःशुल्क दुभाषिया सेवा को 131 450 पर कॉल करें

Esta es la agenda para la reunión del Ayuntamiento. Para obtener ayuda con los artículos de la agenda, póngase en contacto con nuestro servicio gratuito de interpretación en el 131 450

هذا جدول الأعمال لاجتماع مجلس البلدية. للحصول على المساعدة فيما يتعلق بأي بند من بنود الجدول يُرجى الاتصال بخدمات الترجمة الشفهية المجانية الخاصة بنا على الرقم 131 450

Ito ang Agenda para sa Pagpupulong ng Konseho. Para sa tulong sa anumang item sa agenda, mangyaring tawagan ang aming libreng serbisyo ng interpreting sa 131 450

kingston.vic.gov.au

Peter Bean
Chief Executive Officer
Kingston City Council



ACKNOWLEDGEMENT OF COUNTRY

The City of Kingston proudly acknowledges the Bunurong People of the Kulin Nation as the Traditional Owners and Custodians of this land, and we pay our respect to their Elders, past and present and emerging.

Council acknowledges the Bunurong's continuing relationship to the land and waterways and respects that their connection and spiritual identity is maintained through ancient ceremonies, songlines, dance, art and living culture.

Council pays tribute to the invaluable contributions of the Bunurong and other Aboriginal and Torres Strait Island elders who have guided and continue to guide the work we do.

**City of Kingston
Special Council Meeting**

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Notice is given that a Special Meeting of Kingston City Council will be held at 7.00pm - at Council Chamber, 1230 Nepean Highway, Cheltenham, on Monday, 16 September 2024.

1. Apologies

2. Foreshadowed Declaration by Councillors, Officers or Contractors of any Conflict of Interest

Note that any Conflicts of Interest need to be formally declared at the start of the meeting and immediately prior to the item being considered – type and nature of interest is required to be disclosed – if disclosed in writing to the CEO prior to the meeting only the type of interest needs to be disclosed prior to the item being considered.

3. Councillor Statements

4. Planning and Place Reports

4.1 Planning Application KP-2008/337/B - 38 McDonald Street,
Mordialloc (Mordialloc Bowling Club) 5

5. Infrastructure and Open Space Reports

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7.1 Contractual Matter
7.2 Building Matter
7.3 CEO Employment Matters

Confidential Attachments

5.1 Award of Contract 23/128 Programmed and Reactive Maintenance
Essential Safety Measures
Appendix 1 CON 23/128 ESM Evaluaiton Report

4. Planning and Place Reports

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Agenda Item No: 4.1

PLANNING APPLICATION KP-2008/337/B - 38 MCDONALD STREET, MORDIALLOC (MORDIALLOC BOWLING CLUB)

Contact Officer: Luke Burns, Statutory Planner

Purpose of Report

This report is for the Council to consider Planning Permit Application No. KP-2008/337/B - 38 McDonald Street, Mordialloc VIC 3195.

Disclosure of Officer / Contractor Direct or Indirect Interest

No Council officer/s and/or Contractor/s who have provided advice in relation to this report have declared a Conflict of Interest regarding the matter under consideration.

RECOMMENDATION

That Council determine to support the proposal and issue a Planning Permit to increase the area in which liquor is allowed for sale and consumption (Red Lin Plan) under a license at 38 McDonald Street, Mordialloc subject to the conditions contained within this report.

This application requires a decision by Council as the land is owned by the City of Kingston.

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EXECUTIVE SUMMARY

Address 38 McDonald Street, MORDIALLOC VIC 3195
Legal Description Lot 1 on Title Plan 686117L
Applicant Phil Hardy
Planning Officer Luke Burns

PLANNING REQUIREMENTS

Planning Scheme Kingston
Zoning Clause 36.02 – Public Park and Recreation Zone
Overlays Clause 44.50 – Special Building Overlay
Particular Provisions Clause 52.27 – Licensed Premises
Permit Trigger/s Clause 52.27 – The area that liquor is allowed to be consumed or sold under a licence is to be increased.

APPLICATION / PROCESS

Permit Allows To use the land for the sale and consumption of liquor and to construct buildings and works associated with the existing Mordialloc Bowls Club for a 125,000 litre water tank (8.5m dia. x 2.2m height) on this site on the land designated within a Special Building Overlay

Amendment/s Sought? To increase the area in which liquor is allowed for sale and consumption

Reference No. KP-2008/337/B	RFI Received 11 July 2024
App. Received 20 May 2024	App. Amended NA
Site Inspection No	
S.52 Advertising Commenced: 5 August 2024	Advertising Completed 22 August 2024
S.55 Referrals None	
Internal Referrals NA	
Objection(s) Nil (TRIM checked on 28 August 2024)	
Vegetation	
Trees > 8m No	No. of Trees to be Removed (110cm circumference) NA

LEGISLATIVE

Covenant/Other Restriction No Complies: NA

Aboriginal Cultural Sensitivity Area Yes

CHMP Exempt pursuant to Section 3 of Regulation 46 of the *Aboriginal Heritage Regulations 2018*

Considered Plans Prepared by Phil Hardy, titled *proposed new plan*, 1 sheet, submitted to Council on 20 May 2024.

DISCLOSURE OF OFFICER / CONTRACTOR DIRECT OR INDIRECT INTEREST

No Council officer/s and/or contractor/s who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

1. RELEVANT HISTORY

- 1.1 Planning Permit KP-2008/337 was issued on 4 June 2008 *to construct buildings and works associated with the existing Mordialloc Bowls Club for a 125,000 litre water tank (8.5m Dia x 2.2m height) on the site on the land designated within a Special Building Overlay, in accordance with the endorsed plans and subject to the following conditions.*
- 1.2 Planning Permit KP-2008/337/A was amended on 10 August 2012 *to use the land for the sale and consumption of liquor and to construct buildings and works associated with the existing Mordialloc Bowls Club for a 125,000 litre water tank (8.5m Dia x 2.2m height) on the site on the land designated within a Special Building Overlay.*

2. KEY ISSUES

- 2.1 The main issues arising from this proposal relate to:
 - Amenity considerations considering the expanded red line plan.

3. SITE AND SURROUNDS

- 3.1 The photograph below illustrates the subject site from a streetscape perspective.



Source: View from McDonald Street. Source: Google, January 2019, retrieved 13 August 2024.



Source: View from Connel Street. Source: Google, January 2019, retrieved 13 August 2024.

Allotment Placement and Size

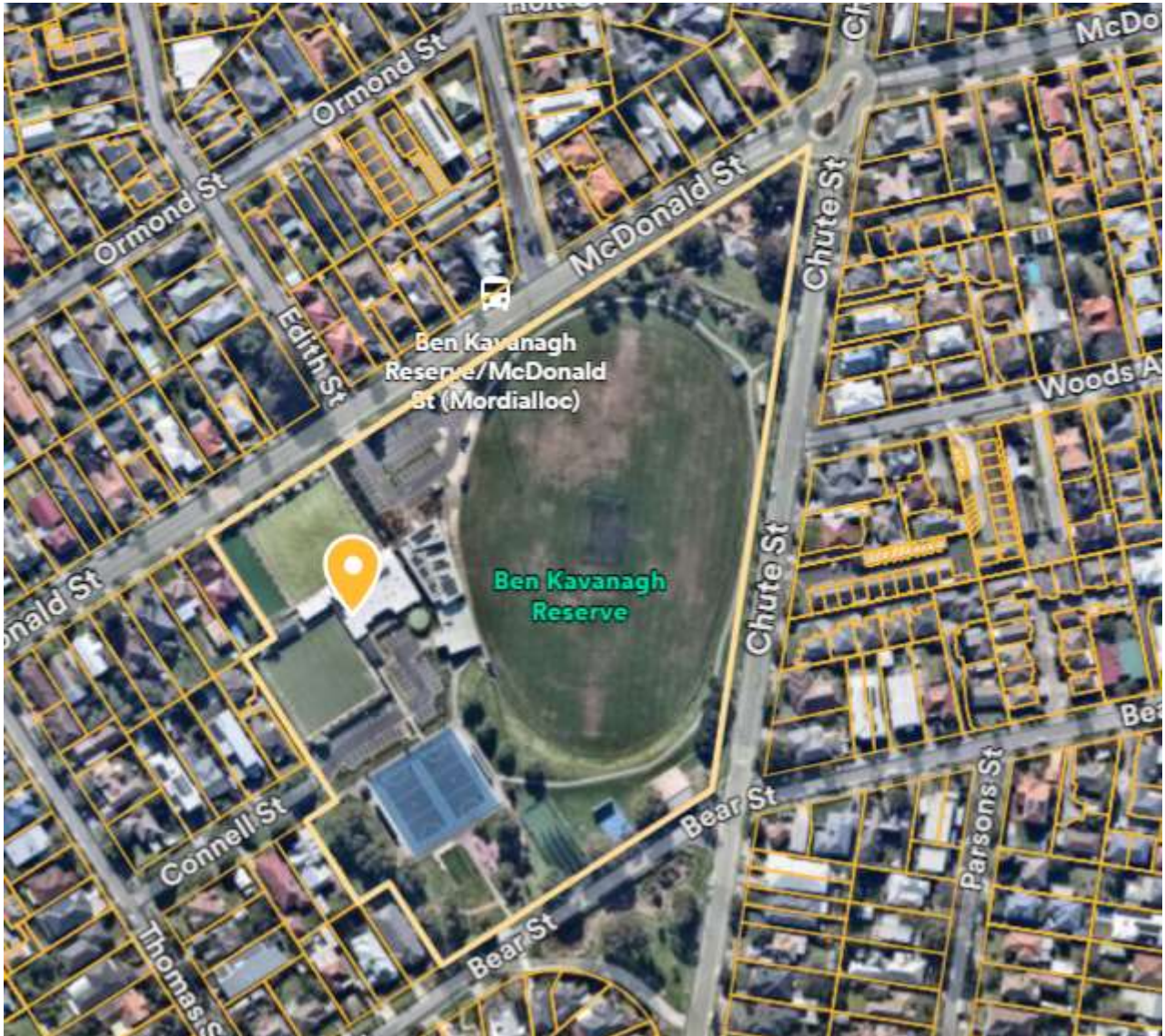
The subject site is located to the south of McDonald, west of Chute Street and north of Bear Street. The site is irregular in shape, tapering to the meeting point of Chute and McDonald Street toward the north-east. An image is included below to demonstrate the shape and orientation:



Size (m²)	44,507m ²
Built Form	<p>The site is occupied by various recreational and sporting-related buildings and associated out-buildings. The site includes bowling greens, basketball courts, and the Ben Kavanagh Reserve. Surface car parking is situated adjacent to McDonald Street and via Connel Street.</p> <p>The bowls club, in addition to the bowling greens, includes a club house and several out-buildings to serve the bowling greens, as well as a large rainwater tank to service the club facilities.</p>
Topography	The land is generally flat.
Fencing	High fencing surrounds bowls club, including the bowling greens, and includes paling and chain-link fencing.
Vegetation	The Bowls Club is void of any significant vegetation
Easement(s)	None.
Footpath Assets / Access	The total site enjoys access via a crossover serving the surface parking lot along McDonald Street, and another accessway via Connel Street serving the second parking lot, which provides the rear access to the bowls club. A footpath runs along McDonald Street for pedestrian access.

4. SURROUNDING LAND

4.1 The following map illustrates the subject site in its surrounding context.



Subject site and surrounds, with the bowling club clubhouse marked.
Source: Nearmap, 1 August 2024

North	McDonald Street: a bidirectional local road with on-street parking. Beyond McDonald Street the land has been developed for residential use.
East	Chute Street: a bidirectional local road with on-street parking. Beyond Chute Street the land has been developed for residential use. Within the subject site, the Mordialloc Bowls Club interfaces with Ben Kavanagh Reserve and associated buildings.
South	Bear Street: a bidirectional local street. Beyond Bear Street, the land has been developed for residential purposes. Within the subject site, the carpark servicing the bowls club interfaces with the basketball courts and surrounding greenspace.
West	The subject site interfaces with a number of residential properties. Those along the shared boundary include: <ul style="list-style-type: none"> • 36 McDonald Street: a double storey dwelling, set back by approximately 20 metres from the rear shared boundary with the Bowls Club. From this point, the dwelling is set back from the side boundary—which abuts the bowls club—by approximately 2.5 metres.

- 34 McDonald Street: a single storey dwelling, the south-east corner (rear) of which interfaced with the subject site. The dwelling is set back by approximately 25 metres from the rear boundary.
- Units 1 and 2 of No. 7 Connel Street: two single storey dwellings, the shared driveway of both interfacing with the southern bowling green of the bowls club. Both dwellings are set back from the side boundary—shared with the bowls club—by approximately 3.5 metres.

The total site interfaces with the following three (3) residential properties, however the bowls club itself as situated within the total site which does not directly interface with these properties:

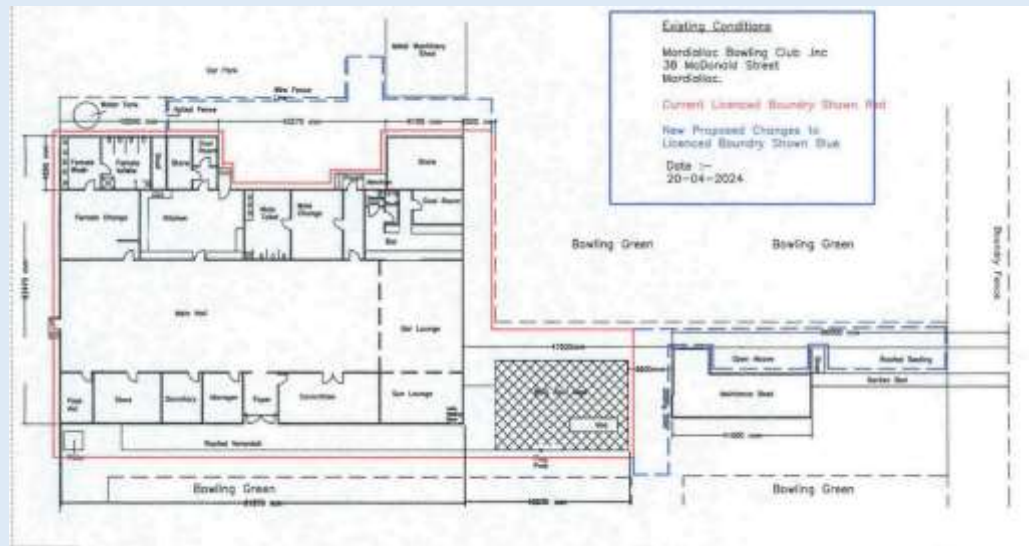
- 4 Connell Street: a double storey dwelling, interfacing with the southern area of green space of the total subject site.
- 25 Bear Street: a single storey dwelling, interfacing with the southern area of green space of the total subject site.
- 23 Bear Street: a double storey dwelling, the north-east boundary corner of which interfaced with the southern are of green space of the total subject site.

5. PROPOSAL

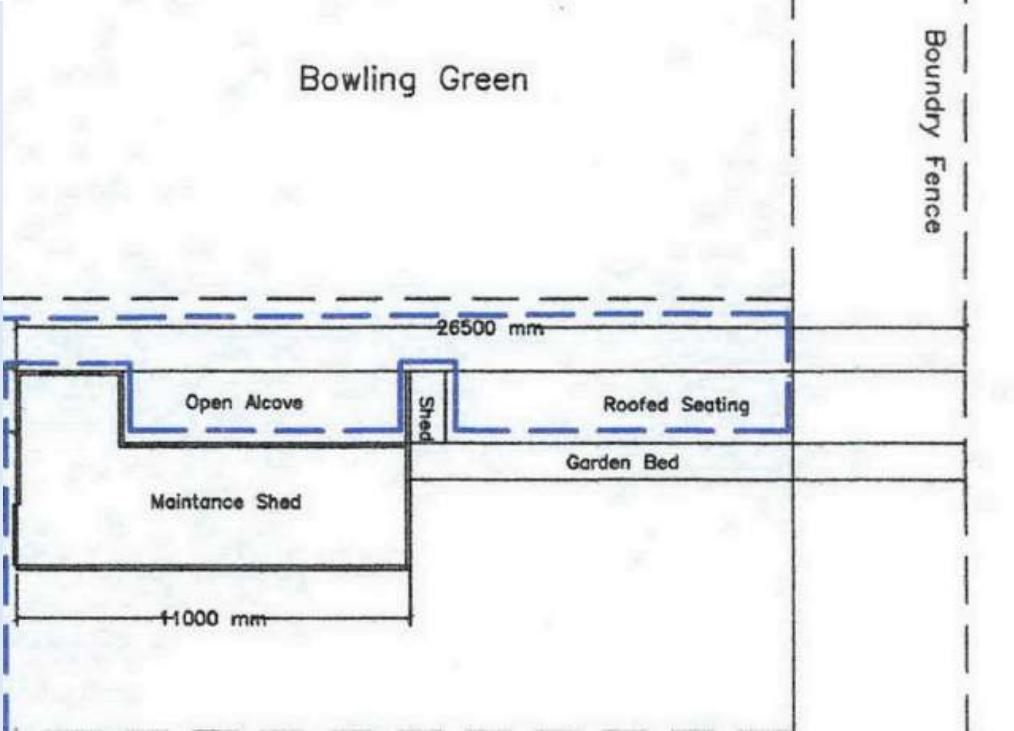
Description

To extend the current red line plan in which alcohol can be sold and consumed under a license.

The updated red line plan is demonstrated below in the considered plans, with the dashed blue line representing the proposed expansion:



For reference, the plan shown above is oriented with the north toward the bottom of the image. As such, the area of the expanded red line plan where it interfaces directly with the shared boundary is shown below for clarity:



This area of interface is outlined in red over the aerial images (Nearmap, 1 August 2024):



No other changes in the current use are proposed.

Operating Hours

No changes to operating hours are proposed.

Internal Layout / Seating

No internal changes proposed.

6. PLANNING CONTROLS

Zone / Overlay / Particular Provisions	Rationale
<p>Clause 52.27 – Licensed Premises</p>	<p>The purpose of the Clause is to:</p> <ul style="list-style-type: none"> • <i>ensure that licensed premises are situated in appropriate locations, and</i> • <i>To ensure that the impact of the licensed premises on the amenity of the surrounding area is considered.</i> <p>The application seeks to expand the red line plan in two directions, one being to the south toward the southern car park of the subject site, and to the west toward shared boundaries with residential properties.</p> <p>The southern expansion of the redline plan will push the red line plan boundary toward the edge of the car park, pictured below:</p> <div style="text-align: center;">  </div> <p><i>Image source: Google, Jan 2019, retrieved 18 August 2024.</i></p> <p>A snippet of the considered plans is included below to show this area, with the water tank highlighted in yellow for clarity in orientation:</p> <div style="text-align: center;">  </div> <p>As seen from the aerial imagery, this area (highlighted yellow) does not directly abut any sensitive or residential uses, with its interfaces including the car park, bowling green, and existing bowls club clubhouse and nearby sporting and recreational facilities associated with Ben Kavanagh Reserve:</p>

Zone / Overlay / Particular Provisions	Rationale
	 <p>This section of the expanded Red Line plan is considered reasonable for the following reasons:</p> <ul style="list-style-type: none"> • The area does not directly abut sensitive or residential uses. • There is no change to hours of operation relating to the sale and consumption of alcohol. • The added area is marginal and remains locationally and closely associated with the clubhouse and ongoing use of the bowls club. • The presence of patrons in this added area is unlikely to adversely affect the amenity of nearby residential uses. <p>The second area of expansion to the west extends the current Red Line plan by approximately 11 metres, linearly along the edge of the bowling green, and encompassing a small, sheltered seating area. This expanded red line plan brings the Red Line plan closer to the properties of:</p> <ul style="list-style-type: none"> • 36 McDonald Street, rear boundary interface. • 34 McDonald Street, south-east boundary corner. • Unit 2 of No. 7 Connel Street, side boundary. <p>It is judged that this expansion does not adversely impact the amenity of these properties for the following reasons:</p> <ul style="list-style-type: none"> • The dwellings of Nos. 34 and 36 McDonald Street enjoy significant setbacks from their rear boundaries, between approximately 25 and 20 metres respectively. • The added area of the Red Line plan is presently already used for club activities, meaning patrons already occupy this area. • There is no change to hours of operation relating to the sale and consumption of alcohol. • The increased area is marginal and, related to the above, better reflects the nature of the ongoing activities on and around the bowling green.

Zone / Overlay / Particular Provisions	Rationale
	<ul style="list-style-type: none"> No objections were received for the proposed amendment. <p>Thus, having considered the likely impact of the amended Red Line plan and the appropriateness of the locations, the proposed amendment can be supported under the clause.</p>
Clause 36.02 – Public Park and Recreation Zone	<p>The purpose of the close is to:</p> <ul style="list-style-type: none"> <i>To implement the Municipal Planning Strategy and the Planning Policy Framework.</i> <i>To recognise areas for public recreation and open space.</i> <i>To protect and conserve areas of significance where appropriate.</i> <i>To provide for commercial uses where appropriate.</i> <p>Whilst the use as such is not being considered under the zone, it is broadly considered that the proposed amendment aligns with the zone due to the following:</p> <ul style="list-style-type: none"> The expanded Red Line plan is marginal in scope and acts in support of a recreational activity. The ongoing use aligns with the priorities outlined at Clause 02.03-9 (Community Infrastructure).
Clause 44.05 – Special Building Overlay	<p>Whilst the site is subject to the Special Building Overlay, no buildings and works are proposed. As such, the considerations and requirements under the overlay do not apply.</p>

7. REFERRALS

7.1 No external Referrals were required for this application.

Internal Referrals

7.2 Whilst no internal referrals were required for this application, it is noted that Council's Property Department provided a letter of consent for the application to proceed and be considered.

8. ADVERTISING

8.1 The proposal was advertised by sending notices to adjoining and opposite property owners and occupiers and by maintaining a notice on site for fourteen (14) days. No representations for or against this application have been received.

9. PLANNING CONSULTATION MEETING

9.1 As no objections to this application were received, no planning consultation meeting was required.

10. PLANNING CONSIDERATIONS

Municipal Planning Strategy

10.1 **Clause 02 (Municipal Planning Strategy)** is focused on defining the context of the City of Kingston and sets out the vision and strategic directions in line with the strategic framework plans of the municipality.

- 10.2 **Clause 02.01 (Context)** describes the City of Kingston and notes that the area combines substantial residential areas with vibrant activity centres, agricultural and non-urban green wedge areas, as well as an industrial sector which forms one of the largest and most concentrated manufacturing regions in metropolitan Melbourne.
- 10.3 **Clause 02.02 (Vision)** identifies the Council's vision for the city as a diverse, dynamic community where we all share a sustainable, safe, attractive environment and a thriving economy. Relevant to the proposal, the policy notes that the provision of open space should meet the changing leisure and recreation needs.
- 10.4 **Clause 02.03 (Strategic Direction)** sets out the strategic directions for the Kingston municipality in relation to settlement, environmental and landscape values, environmental risks and amenity, natural resource management, built environment and heritage, housing, economic development, transport, and infrastructure.
- 10.5 **Clause 02.03** and the applicable framework plans contained within the **Clause 02.04** (Strategic Framework Plans) provide the context at a municipal level to the policies contained within Clauses 10 to 19 of the Kingston Planning Scheme.

Planning Policy Framework

The application has been assessed against the Planning Policy Framework and it is considered that the proposed use is consistent with relevant policies contained within this section of the Kingston Planning Scheme.

- 10.6 **Clause 11.02 (Managing Growth)** aims to ensure a sufficient supply of land is made available for a variety of purposes, including industrial and commercial. To achieve this, it takes into account sufficient land availability to meet forecasted demand. Clause 11.03-1S places particular emphasis on ensuring that planning for urban growth should consider, amongst other things, the opportunities for the consolidation, redevelopment and intensification of existing urban areas.
- 10.7 **Clause 02.03-8 (Transport)** at a local level, provides strategic directions for transport planning including to improve traffic circulation, car parking, site layout and truck access to sites within Kingston's older industrial areas, integrate land use and transport planning to create a more sustainable community and to minimise conflict with abutting land uses. The proposal does not implicate a need for greater parking provision.
- 10.8 **Clause 17.02-1S (Business)** encourages development that meets the community's need for retail, entertainment, office and other commercial services. Strategies include planning for an adequate supply of commercial land in appropriate locations and provide a net community benefit in relation to their viability, accessibility and efficient use of infrastructure.

Zoning Provisions

- 10.9 The application has been assessed against the relevant zoning (Public Park and Recreation Zone) and it is considered that the proposed amendment is consistent with the purpose of the zoning controls contained within the Kingston Planning Scheme.

Particular Provisions

- 10.10 The application has been assessed against the relevant particular provisions and it is considered that the proposed use and/or development meets the requirements contained within this section of the Kingston Planning Scheme. Please see Section 6 of this report.

Aboriginal Cultural Heritage

- 10.11 **Clause 15.03-2S (Aboriginal Cultural Heritage)** seeks to ensure the protection and conservation of places of Aboriginal cultural heritage significance. The subject land is identified in an area of Aboriginal cultural heritage sensitivity. However, pursuant to Section 3 of Regulation 46 of the *Aboriginal Heritage Regulations 2018*, the proposed activity is exempt from requiring a cultural heritage management plan as the land has been used for minor sports and recreation facility immediately before 28 May 2007, as shown on the image below:



Source: Intramaps – Aerials 2004

11. GENERAL COMMENT

The proposal to extend the red line plan is considered reasonable and complimentary to the ongoing use of the site and warrants support.

12. CONCLUSION

On balance, the proposal is considered to substantially comply with the relevant planning policy and therefore should be supported.

As outlined above, it has been determined that prior to deciding on this application, all factors pursuant to Section 60(1) of the Act have been considered. Further to this, the proposal does not give rise to any significant social or economic effects.

13. RECOMMENDATION

That Council determine to support the proposal and issue a planning permit to use the land for the sale and consumption of liquor and to construct buildings and works associated with the existing Mordialloc Bowls Club for a 125,000 litre water tank (8.5m dia. x 2.2m height) on this site on the land designated within a Special Building Overlay at 38 McDonald Street, Mordialloc (Lot 1 on TP 686117L), subject to the following conditions:

Endorsed Plans

1. The development, as shown on the endorsed plans, must not be altered without the written consent of the Responsible Authority.

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2. The building and works (water tank, rock slab and cyclone fence) hereby approved, must be maintained in good order and appearance at all times, to the satisfaction of the Responsible Authority.
3. All external surfaces of the water tank elevations must be coloured in accordance with the submission, that being pale eucalypt green and maintained in a satisfactory condition to the satisfaction of the Responsible Authority.
4. The amenity of the area must not be detrimentally affected by the development and/or use, through the:
 - a) transport of materials, goods or commodities to or from the land;
 - b) appearance of any building, works or materials;
 - c) emission of noise, artificial light, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, grit or oil;
 - d) presence of vermin; and
 - e) in any other way.
5. Construction on the site must be restricted to the following times:

Monday to Friday	7:00am to 7:00pm
Saturday	9:00am to 6:00pm

Or otherwise as approved by the Responsible Authority in writing.
6. The use (Liquor Licence) is to be restricted to the following times for the external area shown on the endorsed redline plan:

Monday to Sunday:	11:00am to 11:00pm
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Or as otherwise approved by the Responsible Authority in writing.
7. Once the development has started, it must be continued to the satisfaction of the Responsible Authority.
8. In accordance with section 68 of the Planning and Environment Act 1987, this permit will expire if one of the following circumstances applies:
 - The development and/or use is not started before 4th June 2010.
 - The development is not completed before 4th June 2012.
 - The use is discontinued for a period of two (2) years.

In accordance with section 69 of the Planning and Environment Act 1987, the responsible authority may extend the periods referred to if a request is made in writing before the permit expires, or within three months afterwards.

Note: Prior to the commencement of the development you are required to obtain the necessary Building Permit.

Note: Unless no permit is required under the Planning Scheme, other signs must not be constructed or displayed without a further permit.

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THIS PERMIT HAS BEEN AMENDED PURSUANT TO SECTION 72 OF *THE PLANNING AND ENVIRONMENT ACT 1987* AS FOLLOWS:

Amendment	Date of Amendment	Description of Amendment	Name of responsible authority that approved the amendment
A	10 August 2012	Amend the preamble to make reference to the sale and consumption of liquor; extend the redline area; and insert conditions regulating the use of the land for the sale and consumption of liquor.	City of Kingston
B	DATE	Amendment B relates to considered plans prepared by Phil Hardy, titled <i>proposed new plan</i>, 1 sheet, submitted to Council on 20 May 2024. The scope of changes pertaining to Amendment B include: <ul style="list-style-type: none">• An increase to the Red Line Plan	City of Kingston

Appendices

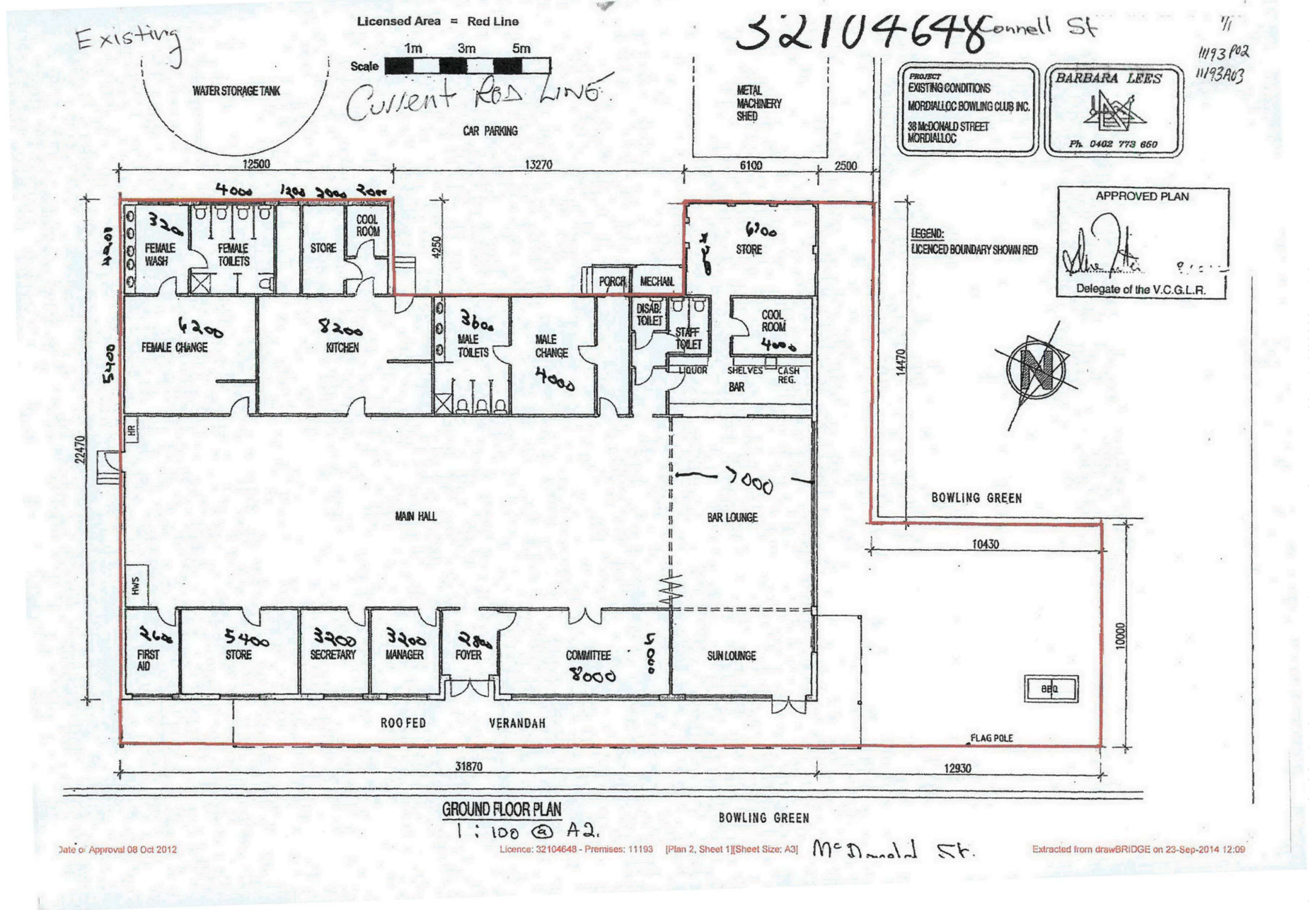
Appendix 1 - CONSIDERED PLANS (Ref 24/239436) 

Author/s: Luke Burns, Statutory Planner
Reviewed and Approved By: Amy Lin, Team Leader Statutory Planning
Jaclyn Murdoch, Manager City Development

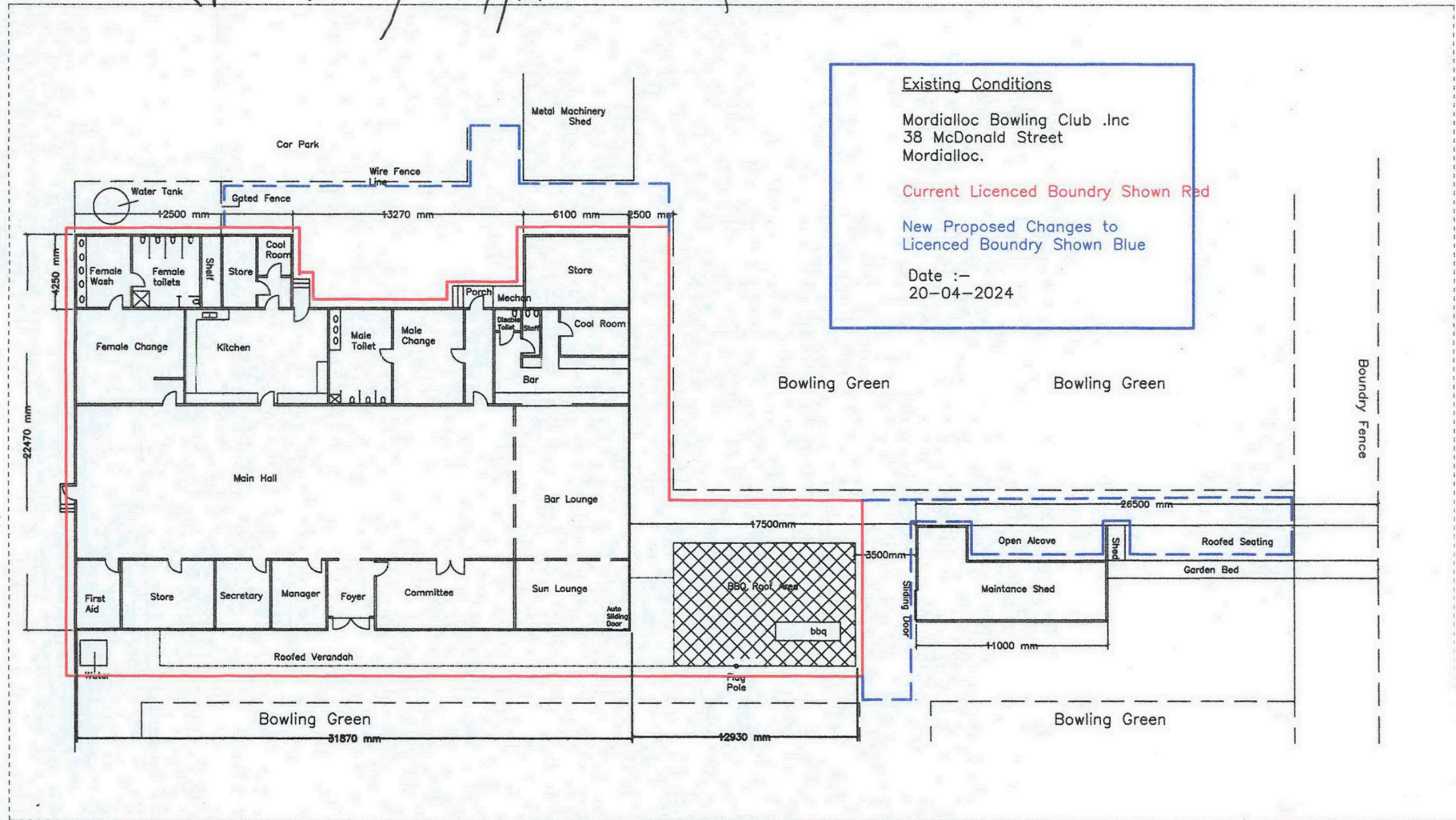
3.1

KP-2008/337/B - 38 MCDONALD STREET, MORDIALLOC (MORDIALLOC BOWLING CLUB)

1	CONSIDERED PLANS	21
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KP - 2008/337/A. - Proposed new Plan



Existing Conditions
Mordialloc Bowling Club .Inc
38 McDonald Street
Mordialloc.

Current Licenced Boundry Shown Red

New Proposed Changes to
Licenced Boundry Shown Blue

Date :-
20-04-2024

5. Infrastructure and Open Space Reports

Special Council Meeting

16 September 2024

Agenda Item No: 5.1

AWARD OF CONTRACT 23/128 PROGRAMMED AND REACTIVE MAINTENANCE ESSENTIAL SAFETY MEASURES

Contact Officer: Jane Hopkins, Coordinator Major Buildings

Purpose of Report

This report seeks Council to award Contract 23/128 Provision of Programmed and Reactive Maintenance for Essential Safety Measures.

Disclosure of Officer / Contractor Conflict of Interest

No Council officer/s and/or Contractor/s who have provided advice in relation to this report have declared a Conflict of Interest regarding the matter under consideration.

RECOMMENDATION

That Council:

1. Award Contract CON-23/128 Programmed and Reactive Maintenance of Essential Safety Measures to Wormald Australia at an estimated Year 1 cost of \$390,804.40 (excluding GST) for an initial three (3) year period, with a further two (2) year extension option, up to a maximum of five (5) year total contract term and an estimated maximum contract cost of \$2,359,441.45 (excluding GST); and
2. Authorise the Chief Executive Officer, or their delegate, to execute the two (2) year contract extension option subject to satisfactory performance.

1. Executive Summary

This report recommends awarding CON-23/128 Provision of Programmed and Reactive Maintenance of Essential Safety Measures to Wormald Australia, for a three (3) year period, with a two (2) year extension option, up to a maximum five (5) year total term of contract, following a competitive tender process.

The contract was prepared with consideration to Council's environmental sustainability initiatives, as well as the flexibility to deal with asset acquisition and disposal throughout the life of this contract.

The first year estimated cost is \$390,804.40 exclusive of GST, with an estimated maximum contract cost for the full five (5) years contract term being \$2,359,441.45 excluding GST.

The annual cost of this contract is in line with current expenditure for Essential Safety Measures and will be reviewed annually through the budget process.

2. Background

Kingston's City Works Department has responsibility for the preservation and maintenance of Council owned buildings and assets throughout the municipality. Council has some 300 building assets which range in size and complexity including:

- Town Halls
- Libraries
- Leisure Centres
- Maternal & Child Health Centres
- Child Care Centres
- Pre-Schools
- Depots
- Pavilions
- Community Centres
- Public Conveniences

The purpose of this contract is to provide flexible and ongoing Reactive and Programmed Maintenance of Essential Safety Measures to Council buildings and assets throughout the City of Kingston.

Reactive works are considered works that are essential to the continued operation of a building and/or asset. Generally, these works include repairing existing assets so they are safe for use by the building occupants. Works classed as reactive will impose a due date the works must be completed by to allow for continued use of the building.

Programmed works are planned in advance to suit operation of the building and allow time for the contractor to coordinate resources for the works.

3. Discussion

3.1 Additional Assets and Variations

Due to the acquisition/disposal of Council's asset portfolio, refurbishments, upgrades, new construction projects, and changes in usage requirements, it should be noted that the number of assets maintained under this contract will fluctuate. These variations have been considered in the contract's budget.

4. Consultation

4.1 Internal Consultation:

Internal consultation was undertaken with various stakeholders that would be affected by the services under this contract. This included the Active Kingston, Family & Youth Services, Arts, Events and Libraries, Inclusive Communities, Access Care, and Infrastructure Departments.

4.2 Results/Findings:

Through consultation with internal stakeholders, the specification was reviewed and aligned to ensure site-specific requirements were clearly identified, minimising the impact on service delivery. These changes to the scope also included the capability to provide additional reporting, enhancing oversight and responsiveness. Furthermore,

the revised specification ensures that the contract aligns closely with operational needs and facilitates more comprehensive monitoring and evaluation of performance.

5. Compliance Checklist

5.1 Council Plan Alignment

Strategic Direction: Liveable - Our city will be a vibrant, enjoyable, and easy place to live.

Strategy: Invest in high-quality community assets

This recommendation aligns with the Council's Strategic Direction of creating a liveable city by ensuring community assets are well-maintained, safe, and functional. By investing in high-quality maintenance services, the enjoyment of the city's buildings is enhanced, making them more accessible, safe and inviting for everyone. This approach preserves the value of Councils assets and contributes to a higher quality of life.

5.2 Governance Principles Alignment

Principle (a) - Council actions are to be made and actions taken in accordance with the relevant law

Principle (e) - innovation and continuous improvement is to be pursued.

The contract incorporates maintenance techniques and technologies, facilitates regular performance reviews, and includes provisions for adapting practices based on feedback and evolving needs. This approach ensures ongoing enhancements in service delivery and operational efficiency.

5.3 Financial Considerations

Projected costings

	Year 1	Year 2 - CPI 5%	Year 3 - CPI 5%	Year 4 - CPI 5%	Year 5 - CPI 5%	TOTAL
Annual Programmed Maintenance	\$210,804.48	\$221,344.70	\$232,411.94	\$244,032.54	\$256,234.16	\$1,164,827.82
Annual Reactive Maintenance	\$180,000.00	\$189,000.00	\$198,450.00	\$208,372.50	\$218,791.13	\$994,613.63
Total	\$390,804.48	\$410,344.70	\$430,861.94	\$452,405.04	\$475,025.29	\$2,159,441.45
Contingency Sum Life of Contract						\$200,000
Total Excl GST						\$2,359,441.45

Budget

Maintenance of Essential Safety Measures is funded through the City Works operational budget. This will be reviewed annually through the budget process.

Staff Resources

This service is a core function of the City Works department and can be delivered by existing City Works staff.

5.4 Risk considerations

Legal and risk implications have been minimised as the procurement and tender selection process has been conducted in accordance with Kingston's procurement procedure. Proactive maintenance of Essential Safety Measures is a legislated requirement and vital to ensure the safe use of Council's buildings.

Wormald Australia is OH&S compliant with Council's RAPID approval system and hold all relevant licensing to conduct essential safety measures work under this contract.

Appendices

Appendix 1 - CON 23/128 ESM Evaluation Report (Ref 24/241755) - Confidential

Author/s: Jane Hopkins, Coordinator Major Buildings
Reviewed and Approved By: Michael Eddington, Manager City Works
Samantha Krull, General Manager Infrastructure and Open Space

6. Chief Finance Office Reports

Special Council Meeting

16 September 2024

Agenda Item No: 6.1

DISCONTINUANCE AND SALE OF ROADS, RIGHTS OF WAY AND DRAINAGE RESERVES POLICY

Contact Officer: Michelle Hawker, Senior Administration Officer

Purpose of Report

To seek approval for Council to adopt the Discontinuance and Sale of Roads, Rights of Way and Drainage Reserves Policy.

Disclosure of Officer / Contractor Conflict of Interest

No Council officer/s and/or Contractor/s who have provided advice in relation to this report have declared a Conflict of Interest regarding the matter under consideration.

RECOMMENDATION

That Council adopt the revised draft Discontinuance and Sale of Roads, Rights of Way and Drainage Reserves Policy.

1. Executive Summary

The Discontinuance and Sale of Roads, Rights of Way, and Drainage Reserves Policy was adopted by Council in May 2017. The policy provides a consistent and equitable approach to the management, discontinuance and sale of land and further ensures that all Council land that is reasonably required will be retained and open and available for the public. The proposed revised draft policy proposes changes to accommodate legislative updates and a requirement to consolidate sold discontinued road land into the adjoining owners land.

The Policy was endorsed by Council in June 2024 for public consultation and no submissions were received. It is officers recommendation that the draft policy be adopted.

2. Background

The Discontinuance and Sale of Roads, Rights of Way and Drainage Reserves Policy was adopted by Council in 2017. Many roads, right of ways and reserves were set out in early plans of subdivisions and are no longer required for their original purpose.

The current policy has provided direction as to whether these roads, right of ways and reserves should be retained and managed or discontinued and/or sold.

The current policy has proved effective in providing good outcomes for both Council financially and the community. It generates revenue for Council and reduces maintenance costs on inaccessible land. Additionally, it provides extra land for ratepayers to purchase, improves land values and rates and additional development opportunities.

The proposed revised 2024 policy is being drafted to accommodate legislative changes, but it will also provide more clarity around Council's decision making and make it more equitable.

The public consultation period has concluded, and no submissions have been received. This report seeks Council to endorse the draft policy for adoption.

The primary updates recommended for this policy are as follows:

- Removal of discounts permitted for the purchase of land that has been enclosed for 10 years and only allow discounts for land enclosed for 15 years or more years.
- Obligation for purchasers to consolidate the titles upon settlement.
- Update relevant legislations.

2.1 Change of Discount

The current policy provides for purchasers/applicants to receive a 10 per cent discount on the sales price if they have occupied the subject land for a period greater than 10 years and a 20 per cent discount if they have occupied the land for more than 15 years (minimum legal term for adverse claims to be successful). The discount encourages prospective purchasers to purchase the land through Council as opposed to acquire through adverse possession.

The 2024 Draft proposes to remove the 10 and 20 per cent discounts for adverse possession claims where the subject land has been occupied for 10 years as property owners cannot effectively make an adverse possession claim and there are very few applications being made. Bayside Council and Glen Eira offer only, up to 50 per cent discounts on land occupied for 15 years. Port Phillip do not offer any discounts.

2.2 Consolidate Titles

In some instances when right of ways have been purchased the titles are not always consolidated to their titles. This can cause a problem when the owners then elect to sell their properties because there are multiple titles to transfer. The draft Policy has been amended to ensure that any discontinued road land sold is consolidated with the owner's adjoining land. The proposed purchaser is required to enter into an agreement under section 173 of the Planning and Environment Act 1987 (section 173 agreement),

2.3 Legislation

Clause 3 of Schedule 10 of the *Local Government Act 1989* is still applicable and gives Council the power to discontinue a road. The Act also sets out the procedures which must be followed by Council to discontinue a road. This includes giving public notice of its intention to discontinue the road under section 223 of the same Act.

The effect of a road discontinuance is to vest the land in Council, following which, Council may then elect to retain or sell the land.

Where the land has been discontinued, the subsequent sale of the land is now undertaken under the updated *Local Government Act 2020* including Council's *Community Engagement Policy*.

3. Consultation

3.1 Internal Consultation:

Council's Infrastructure and Legal Departments support the draft Policy.

An external consultant was retained to benchmark council's existing policy with surrounding council's policies.

3.2 Community Consultation:

Community Consultation has been undertaken and no submissions have been received.

Group	Method
Key Stakeholders Roads and Drains	Existing easements and covenants to remain after discontinuance to secure council's assets. Have your Say

4. Compliance Checklist

4.1 Council Plan Alignment

Strategic Direction: Well-Governed. Council will be collaborative, accountable, transparent, responsive, well-informed and efficient.

Strategy: Focus all of our decision-making on the long-term best interests of the Kingston community.

The draft Policy supports the Council Plan by complying with the Local Government Acts 1989 & 2020

4.2 Governance Principles Alignment

Principle (a) - Council actions are to be made and actions taken in accordance with the relevant law

Principle (b) - priority is to be given to achieving the best outcomes for the municipal community, including future generations.

Principle (g) - the ongoing financial viability of the Council is to be ensured.

Principle (i) - the transparency of Council decisions, actions and information is to be ensured.

The draft Policy supports the principles by complying with the Local Government Acts 1989 & 2020

4.3 Financial Considerations

Budget

The Sale of Roads, Rights of Way and Drainage Reserves generates revenue for Council. Details below.

FY	2021/22	2022/23	2023/24
	\$117,135	\$79,965	\$13,213

Purchasers cover all costs associated with the sales. With more focus on actively selling, Roads, Rights of Way and Drainage Reserves, Council can increase current revenue levels.

The net funds from the sales should be directed to Council's Land Acquisition Reserve.


Staff Resources

Managing the policy component falls under the responsibility of the Senior Administration Officer who is a 1FTE position.

4.4 Risk considerations

Council is exposed to potential adverse claims across the municipality a loss of potential sale revenue. Council officers will work towards securing these parcels.

Appendices

Appendix 1 - Kingston Discontinuance and Sale of Roads, Rights of Way and Drainage Reserve Policy draft 2023 (Ref 23/290612) 

Author/s:	Michelle Hawker, Senior Administration Officer
Reviewed and Approved By:	Nikolaj Dennis, Manager Property Services Bernard Rohan, Chief Finance Officer

6.1

DISCONTINUANCE AND SALE OF ROADS, RIGHTS OF WAY AND DRAINAGE RESERVES POLICY

- 1 **Kingston Discontinuance and Sale of Roads, Rights of Way and Drainage Reserve Policy draft 2023 37**



Discontinuance and Sale of Roads Rights of Way and Drainage Reserves

VERSION NO.	Version 5
APPROVAL	Council
	Signature:
	Date:
TRIM REFERENCE	23/290526
REVIEW	2028
RESPONSIBLE EXECUTIVE	Chief Finance Officer
POLICY TYPE	Council
POLICY OWNER	Manager Property Services

REVISION RECORD	Version	Revision Description
11 December 1995	1	Adopted by Council
26 May 2008	2	Amended by Council
4 May 2010	3	Amended by Council
22 May 2017	4	Adopted by Council

1. Purpose

The purpose of the Discontinuance and Sale of Roads, Rights of Way and Drainage Reserves Policy is to provide guiding principles to facilitate the Discontinuance and disposal of Roads, Reserves and minor parcels of land that are no longer reasonably required for access or for the purpose they were originally set aside for or for any other public purpose.

2. Scope

The policy will be applied by Council officers and will provide guidance for the general public associated with the sale of minor parcels of land such as Discontinued Roads and Reserves that are no longer required, it will not apply for other Council owned land.

3. Governance Principles and Council Plan alignment

3.1 Governance Principles

This Policy aligns with the following principles

Principle (a) - Council actions are to be made and actions taken in accordance with the relevant law

Principle (b) - priority is to be given to achieving the best outcomes for the municipal community, including future generations.

Principle (g) - the ongoing financial viability of the Council is to be ensured.

Principle (i) - the transparency of Council decisions, actions and information is to be ensured.

3.2 Council Plan Alignment

Strategic Direction: Well-governed - Council will be collaborative, accountable, transparent, responsive, well-informed, and efficient.

Strategy: Hold ourselves to the highest standard of governance and integrity.

The Policy Framework directly addresses the improvements recommended during the Governance Review.

4 Policy Details

The *Local Government Act 1989* and *Local Government Act 2020* set out the statutory requirements for Road Discontinuances and sales managed in the Victorian local government sector. As part of our commitment to meeting the requirements of the Acts and demonstrating good governance, this policy outlines Council's approach in complying with the legislation and providing consistent and equitable principles for the Discontinuance and sale of Roads and Reserves and minor land parcels

4.1 Commencement of Statutory Procedures

If it is considered that a Road or Reserve is no longer reasonably required for the purpose for which it was set aside or some alternative municipal purpose, officers may investigate the suitability of Discontinuance and sale by private treaty, public tender or public auction or alternatively retention for municipal purposes.

However, if there is an established community use or other Council use for a Road or Reserve the land shall not be sold.

A resolution of Council is required for a final decision on a proposed Discontinuance and sale of Roads or Reserves after the completion of the statutory procedures.

4.2 Allocation and Division

Land is to be offered as near as is practical, equally amongst abutting owners. Where a property owner is found to have been in clear occupation of the same area for at least the last fifteen (15) years, that owner may be offered first opportunity to purchase the land. Council reserves its right to apportion the land at its sole discretion. Division of land between multiple owners will be carried out with consideration to the efficient operation of drainage or service authority assets.

Should an abutting owner not wish to purchase the portion of land offered, that portion may be offered to another abutting owner.

Should the other abutting owner also not wish to purchase that portion, the land may be offered to the adjoining properties on either side of the immediate abutting properties.

In the event that a portion of land would become landlocked if Council were to sell other portions of the Discontinued Road, the sales process shall be deferred until resolved.

Letters to owners shall invite replies within sixty (60) days of the date of the letter. If no reply is received within this period, those owners shall be deemed to be un-willing to purchase that section of land offered to them.

Should both abutting owners wish to purchase the entire section of land offered to them, both parties will be invited to submit an offer for that section. Offers shall not be less than the sum of the original offers conveyed by Council.

Offers received which provide the most equitable return to Council may be accepted by the Policy Owner on behalf of Council, subject to the completion of the statutory requirements.

Where no agreement can be reached for the purchase of any portion of the land, the land shall remain vested in Council until such agreement can be reached. The owners of any property in occupation of the land may be directed to remove all buildings and obstructions from the land immediately, as is Council's right as owner of the property.

4.3 Financials

Discontinued Roads and Reserves will be sold at Market Value. The Market Valuation must be no older than 6 months prior to the date of sale. If negotiations have not been completed within this time then a new Market Valuation will be conducted.

The price affixed by Council on any portion of Discontinued Road or Reserve shall not be less than the amount fixed annually by Council in its Schedule of Fees & Charges.

4.3.1 Price Reductions

In exceptional circumstances, Council may, at the discretion of the Manager Property Services offer a one-time only further discount of up to 50% of the market value. An exceptional circumstance may arise where land:

- Is currently occupied by purchasers and is not capable of being reinstated for public use;
- has been exclusively occupied in excess of 15 years.

The discounts will only apply for residential properties.

In order to qualify for the price reduction on parcels claimed to have been occupied, property owners are required to supply as a minimum a Statutory Declaration attesting to the extent of the occupation plus other supporting documentation as required by Council.

No discount is available to a prospective purchaser who is occupying land who has been directed to cease occupation of that land.

4.3.2 Disagreement with Purchase Price

If a prospective purchaser disagrees with the valuation on which the purchase price is based, they may submit an independent valuation prepared by a Certified Practising Valuer. The Policy Owner will consider the independent valuation provided and may (but in no way is obliged to) amend the purchase price if they consider it appropriate.

4.3.3 Costs

A fee applies to all applications as specified in Council's fees and charges register. This fee will be adjusted annually in accordance with the CPI.

All costs incurred by Council in association with the Discontinuance and sale process are to be passed on to purchasers and where applicable will be shared equally amongst the

applicants. Typical costs include legal fees, survey costs, Land Registry costs, administrative costs, public notification costs, valuation fees and subdivision costs where applicable.

Each purchaser shall bear their own legal and conveyancing costs associated with the transfer of the land. The purchaser shall be responsible for the preparation and lodgement of the Transfer of Land document and payment of applicable stamp duty.

4.3.4 Land Settlement

The full purchase price of all land sold shall be paid to Council at the time of settlement.

Transfer of the land shall not be completed by Council until the full purchase price including associated costs and any interest are paid in full to Council.

The purchaser is to consolidate the titles. The purchaser will need to enter into an agreement under section 173 of the Planning and Environment Act 1987 (section 173 agreement), at the purchasers cost.

4.4 Other Principles

Where the Discontinued Road or Reserve is not able to be sold immediately, an application may be prepared for obtaining duplicate Certificate of Title from Land Registry in Council's name.

Council discourages the unauthorised occupation of Roads, or Reserves and may take steps to remove such illegal occupation. Where Council resolves not to proceed with a Discontinuance, steps may be taken to ensure that the land becomes and remains accessible for the purpose for which it was set aside, including directing removal of any obstructions or buildings from the land in accordance with clause 207 and section 11 of the Local Government Act 1989.

Council has the right to place an easement or covenant, on or over the land in order to protect its existing or future interest in the land. Existing easements and covenants will remain after any discontinuance.

If there is a requirement by a statutory authority to relocate any assets within the subject land all costs will be borne by the purchaser.

As a condition of sale, Council may require a purchaser to grant an easement in either its or other infrastructure authorities' favour over all or part of the land being transferred, which must be registered on title. The purchaser may be required to pay for the cost of the preparation and lodgement of the creation of easement document(s) at the Land Registry.

Council will only consider the Discontinuance of a Government Road where there is significant community benefit or a strategic outcome to justify the decision for Council to carry out the Discontinuance. Noting that the resulting land will vest in the Crown not Council.

5 Key Stakeholders (if applicable)

Not applicable

6 Internal and External Assessments

Officers from Roads and Drainage Department and Contract Valuer have been consulted in the preparation of this policy. Also benchmarking with other local government areas has occurred.

7 Risk Assessment

No requirement for Risk Assessment.

8 Delegation and Authorisation

Chief Executive Officer

Manager Property and Team Leader Property Services have administrative function necessary to give effect to power to discontinue roads and give notice before selling or exchanging land.

9 Gender Impact Assessment

A Gender Impact Assessment is not required for this Policy.

10 Privacy Impact Assessment

A Privacy Impact Assessment is not required for this Policy.

11 Human Rights Charter

This policy has been reviewed against and complies with the Charter of Human Rights and Responsibilities Act 2006.

12 Roles and Responsibilities

Role	Responsibility
Council	Authorises new Council policies and material updates to Council policies where Council is legally required to have a policy position, or on other issues that need a strategic position as a guide or direction to management and the community.
Manager Property Services	Responsible for the administration of the Policy

13 Related documents**13.1 Legislation**

- Local Government Act 1989
- *Local Government Act 2020*
- *Subdivision Act 1988*
- *Gender and Equality Act 2020*
- *Road Management Act 2004*
- *Planning and Environment Act 1987*
- *Land Act 1958*
- *Limitations of Actions Act 1958*

13.2 Documents and resources

- *Community Engagement Policy*
- *Gender Impact Assessment*

14 Definitions

Term	Definition
Council	Kingston City Council
Market Value	Market value of the land means the value as determined by a Certified Practising Valuer on the basis of the “before and after method” taking into consideration commonly and legally accepted methodology.
Discontinue/Discontinuance	In this policy means the exercise of power under clause 3 of schedule 10 <i>Local Government Act 1989</i> in relation to a Road or the removal of reserve status in relation to a Reserve under section 24A of the Subdivision Act 1988
Government Road	A Road established on the parish plan and held in the ownership of the Crown
Road/s	the same meaning as is set out in section 3(1) of the <i>Local Government Act 1989</i> and includes rights of way.
Reserve/s	a narrow parcel of land such as a drainage reserve set aside as a reserve on a plan of subdivision but not set aside for recreational purposes.

Special Council Meeting

16 September 2024

Agenda Item No: 6.2

2024/25 OPERATING BUDGET FORECAST

Contact Officer: Magda Hordejuk, Team Leader Budgeting and Reporting

Purpose of Report

Council to note the forecast operating financial results for the City of Kingston in 2024/25.

Disclosure of Officer / Contractor Conflict of Interest

No Council officer/s and/or Contractor/s who have provided advice in relation to this report have declared a Conflict of Interest regarding the matter under consideration.

RECOMMENDATION

That Council note the 2024/25 Operating Budget Forecast, and that officers will continue to work on forecast assumptions to actively manage budgets within approved parameters.

1. Executive Summary

Officers are currently working to finalise the 2023/24 financial statements and this is scheduled to be considered by the Audit and Risk Committee on 11 September 2024. The financial statements will be presented to the September Ordinary Council Meeting and form part of the 2024/25 annual report.

In 2023/24, the draft financial results indicate that Council achieved a net result of \$14 million which was favourable to budget and slightly lower than forecast.

Officers continue to actively manage resources in a way that accords to the Budget and Council Plan, whilst responding to market conditions and community expectations.

The 2024/25 Budget was adopted by Council on 27 May 2024 and included provisions for operating budgets reflecting conditions known at the time that the budget was developed.

This paper highlights that

- Officers have undertaken an initial review of Council's 2024/25 Budget, particularly in response to recent service contracts that have been put to Council for approval since the adoption of the Budget.
- The following information summarises the initial expected budget movements that
 - Funds approved contracts that commit resources beyond the initial budget
 - Reflects updated understanding of grant income
 - Brings-forward expectations on parameters (such as investment income) based on historic trends.
 - The forecast 2024/25 net result is \$7.9 million and \$0.3 million lower than budget.

Whilst this net result is broadly in line with the budget settings, there are a number of factors requiring active management and updated forecasting from across council, that will be undertaken over the coming months and the Executive Leadership Team will actively work to ensure that all departments to actively manage budget settings. This is critically important to sustain services now and into the future and will be the subject of future reports to Council in the development of the draft 2025/26 Budget.

2. Background

The 2024/25 Budget was adopted by Council on 27 May 2024 and included provisions for operating budgets reflecting conditions known at the time that the budget was developed.

On 22 July 2024, Council awarded Contract 24/016 Open Space Mowing Services and Contract 24/015 Sportsground Mowing Services – the officer report identified that a report will be brought back to Council, before the end of the Council term, identifying how this additional cost will be managed in 2024/25. These costs will be incorporated into future ongoing budgets and financial plan cycles.

3. Discussion

3.1 2024/25 Forecast

Officers have undertaken an initial review of Council's 2024/25 Budget, particularly in response to recent service contracts that have been put to Council for approval since the adoption of the Budget.

The following information summarises the initial expected budget movements that:

- Funds approved contracts that commit resources beyond the initial budget
- Reflects updated understanding of grant income
- Brings-forward expectations on parameters (such as investment income) based on historic trends.

The forecast 2024/25 net result is \$7.9 million and \$0.3 million lower than budget. ELT will work with all departments to actively manage budget settings.

The main issues that have been identified in this forecast are:

1. Additional revenue from rates and reflective of Council decision on 24 June 2024 with respect to debt management and penalty interest
2. Additional income from capital grants in line with projects expected to be completed in 2024/25, including with respect to advice to Council on 26 August 2024 on capital project updates
3. The final outcome for Financial Assistance Grants from the Commonwealth Government as communicated in June 2024 and subsequent to the finalisation of Council's budget
4. Expected additional income from Council investments, and in line with the final outcome of interest income in 2023/24
5. These factors are offset by additional expenditure for:
 - a. Staffing, including grant funded roles and positions reflective of new approaches to mowing services
 - b. service contract impacts where Council has awarded contracts subsequent to the Budget including the Contract 24/016 Open Space Mowing Services and Contract 24/015 Sportsground Mowing Services
 - c. updates to consultancies and legal related expenditure
6. reduced borrowing costs in line with the Treasury Corporation of Victoria loan settings approved by Council in June 2024.

Included in this attached forecast estimate is a number of areas of expected activity that needs to be subject to:

- further scrutiny, engagement with officers across council and will be the basis of later decisions by Council on further forthcoming service contracts and
- sense-testing against actual performance across the initial months of 2024/25 to validated planned activity and staffing requirements.

At this stage, the forecast net result of \$7.9 million is slightly lower than budget and the Executive Leadership Team are further scrutinising and reviewing departments' budgets and pressures to actively manage and seek to ensure that budgets are utilised in line with Council approved, aggregate-budget parameters. This will be subject to updated forecasts across the financial year and in the lead up to the 2025/26 draft budget process, which officers will commence from October 2024.

4. Consultation

4.1 Internal Consultation:

There is ongoing contact between Finance and Departments on significant transactions and budget variances.

4.2 Community Consultation:

N/A

5. Compliance Checklist

5.1 Council Plan Alignment

Strategic Direction: Well-governed - Council will be collaborative, accountable, transparent, responsive, well-informed and efficient.

Strategy: Look after the community's financial resources responsibly and efficiently

5.2 Governance Principles Alignment

Principle (g) - the ongoing financial viability of the Council is to be ensured.

5.3 Risk considerations

The financial sustainability of council will be challenged by inflation and budget pressures and this requires active management from council and officers.

Appendices

Appendix 1 - August 2024 Forecast Council (Ref 24/241210) 

Author/s: Magda Hordejuk, Team Leader Budgeting and Reporting
Reviewed and Approved By: Bernard Rohan, Chief Finance Officer

6.2

2024/25 OPERATING BUDGET FORECAST

1	August 2024 Forecast Council	49
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2024/25 Operating Forecast

Bernard Rohan, CFO, 16 September 2024



2023/24 Budget Outcome

- Council is still to finalise its 2023/24 financial audit, which will be presented to the September Ordinary Council Meeting and form part of the annual report.
- In 2023/24, the draft results indicate that Council achieved a net result of \$14 million which was favourable to budget and slightly lower than forecast
- Officers continue to actively manage resources in a way that accords to the Budget and Council Plan, whilst responding to market conditions and community expectations.

2023/24 Results – Variance to budget and forecast

	2023/24 Actual	2023/24 Budget	2023/24 Forecast	Budget Variance	Comment	Forecast Variance	Comment
Rates	166,839.1	166,943.1	166,951.4	-104.0		-112.3	
Grants and Subsidies	52,564.8	49,736.1	60,243.7	2,828.7	Additional grant income for AccessCare and Family, and Childrens Services	-7,679.0	Lower than forecast mainly due to the change in timing recognition for Financial Assistance Grants
Capital Grants	9,576.5	7,761.7	12,789.1	1,814.8	Mainly caused by timing differences with specific projects	-3,212.6	Lower than forecast reflecting timing differences
Contributions	10,210.3	6,965.7	6,980.1	3,244.6	Recognition of assets provided to Council and higher receipts of financial contributions from developers.	3,230.2	Recognition of assets provided to Council and higher receipts of financial contributions from developers.
Statutory fees	9,313.4	9,987.6	9,570.2	-674.2	Lower parking income	-256.8	
User Fees	22,546.4	22,080.9	21,544.7	465.5	Higher income from Waves	1,001.7	Higher income from Waves
Interest Income	4,548.7	2,750.0	4,400.0	1,798.7	Continued high interest rates	148.7	
Other Income	3,840.0	1,060.9	3,770.6	2,779.1	Settlements	69.4	
Net proceeds from Disposal	-213.1	100.0	100.0	-313.1		-313.1	
	279,226.1	267,386.1	286,349.7	11,840.0		-7,123.7	
Employee Costs	116,019.7	116,964.4	118,638.7	944.7	Vacancies	2,619.0	Improved leave provisions and vacancies
Materials & Services	108,888.4	108,417.4	110,334.9	-471.0	Mainly lower asset write-offs	1,446.5	Mainly lower asset write-offs, accounting treatment
Bad and Doubtful Debts	103.7	50.0	50.0	-53.7		-53.7	
Depreciation & Amortisation	39,338.6	40,374.0	39,965.0	1,035.4		626.5	
Interest/Borrowing Costs	468.9	500.0	500.0	31.1		31.1	
	264,819.3	266,305.8	269,488.7	1,486.5		4,669.4	
Net result	14,406.8	1,080.3	16,861.0	13,326.5		-2,454.3	

2024/25 Forecast

- Officers have undertaken an initial review of Council's 2024/25 Budget, particularly in response to recent service contracts that have been put to Council for approval since the adoption of the Budget.
- The following information summarises the initial expected budget movements that
 - Funds approved contracts that commit resources beyond the initial budget
 - Reflects updated understanding of grant income
 - Brings-forward expectations on parameters (such as investment income) based on historic trends.
- The forecast 2024/25 net result is \$7.9 million and \$0.3 million lower than budget.
- ELT will work with all departments to actively manage budget settings.

Updated 2024/25 Forecast (as at 27 August 2024)

(\$'000)	2024/25 Budget	27 August 2024 2024/25 Forecast	Forecast to Budget Variance
Rates	172,934.9	173,534.9	600.0
Grants and Subsidies	58,921.4	59,951.6	1,030.1
Capital Grants	11,662.7	15,051.9	3,389.2
Contributions	8,700.0	8,700.0	-
Statutory fees	9,570.1	9,347.9	(222.2)
User Fees	23,261.1	23,137.3	(123.9)
Interest Income	3,700.0	4,548.7	848.7
Other Income	1,248.1	1,418.1	170.0
Net proceeds from Disposal	100.0	100.0	-
	290,098.3	295,790.3	5,692.0
Employee Costs	128,059.5	128,910.0	850.5
Materials & Services	111,099.9	116,724.8	5,624.9
Bad and Doubtful Debts	50.0	50.0	-
Depreciation & Amortisation	40,385.0	40,385.0	-
Interest/Borrowing Costs	2,308.8	1,861.1	(447.7)
	281,903.1	287,930.8	6,027.7
	8,195.2	7,859.5	(335.7)

Forecast to Budget

- Additional revenue from:
 - Capital grants in line with projects expected to be completed in 2024/25
 - Operating grants from service areas and the Financial Assistance Grant
 - Additional interest revenue in line with 2023/24 outcome,
 - Additional revenue from rates and relating to expected penalty interest Higher grants
- Additional expenditure for:
 - staffing including grant funded roles
 - service contracts (Open Space and City Works)
 - consultancies and legal related expenditure
- Offset by savings on borrowing costs

7. Confidential Items

7 Confidential Items

This information is confidential information under section 3(1) of the *Local Government Act 2020* and therefore suitable for consideration in closed session. In accordance with the *Local Government Act 2020*, Council may resolve to consider these items in open or closed session.

7.1 Contractual Matter

Agenda item 7.1 *Contractual Matter* is designated confidential:

- because it is legal privileged information, being information to which legal professional privilege or client legal privilege applies (section 3(1)(e)), and
- the explanation as to why the specified ground/s applies is the report contains information that is subject to legal professional privilege in connection with a confidential commercial dispute..

7.2 Building Matter

Agenda item 7.2 *Building Matter* is designated confidential:

- because it is legal privileged information, being information to which legal professional privilege or client legal privilege applies (section 3(1)(e)), and
- the explanation as to why the specified ground/s applies is the report contains information that is subject to legal professional privilege in connection with a confidential dispute..

7.3 CEO Employment Matters

Agenda item 7.3 *CEO Employment Matters* is designated confidential:

- because it is Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released, and because it is personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs (section 3(1)(a) and (f)), and
- the explanation as to why the specified ground/s applies is this report relates to personnel information of the CEO.

Confidential Appendices

5.1 Award of Contract 23/128 Programmed and Reactive Maintenance Essential Safety Measures

Appendix 1, CON 23/128 ESM Evaluation Report is designated confidential as it relates to (s3(1)(g))

RECOMMENDATION

That in accordance with section 66(1) and 66(2)(a) of the *Local Government Act 2020*, the meeting be closed to members of the public for the consideration of the following confidential items:

7.1 Contractual Matter

This agenda item is confidential information for the purposes of section 3(1) of the Local Government Act 2020:

- because it is legal privileged information, being information to which legal professional privilege or client legal privilege applies (section 3(1)(e)), and
- the explanation as to why the specified ground/s applies is the report contains information that is subject to legal professional privilege in connection with a confidential commercial dispute..

7.2 Building Matter

This agenda item is confidential information for the purposes of section 3(1) of the Local Government Act 2020:

- because it is legal privileged information, being information to which legal professional privilege or client legal privilege applies (section 3(1)(e)), and
- The explanation as to why the specified ground/s applies is the report contains information that is subject to legal professional privilege in connection with a confidential dispute..

7.3 CEO Employment Matters

This agenda item is confidential information for the purposes of section 3(1) of the Local Government Act 2020:

- because it is Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released, and because it is personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs (section 3(1)(a) and (f)), and
- the explanation as to why the specified ground/s applies is this report relates to personnel information of the CEO.