

MINUTES

FOR THE
GREATER SHEPPARTON CITY COUNCIL

SPECIAL COUNCIL MEETING

HELD ON
TUESDAY 9 JULY, 2013
AT 5:30PM

IN THE COUNCIL BOARD ROOM

COUNCILLORS:

Cr Jenny Houlihan (Mayor)
Cr Les Oroszvary (Deputy Mayor)
Cr Milvan Muto
Cr Dennis Patterson
Cr Michael Polan
Cr Kevin Ryan
Cr Fern Summer

VISION

GREATER SHEPPARTON
AS THE FOOD BOWL OF AUSTRALIA,
A SUSTAINABLE, INNOVATIVE
AND DIVERSE COMMUNITY
GREATER FUTURE

**M I N U T E S
FOR THE
SPECIAL COUNCIL MEETING
HELD ON
TUESDAY 9 JULY, 2013 AT 5:30PM**

**CHAIR
CR JENNY HOULIHAN**

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RISK LEVEL MATRIX LEGEND

Note: A number of reports in this agenda include a section on “risk management implications”. The following table shows the legend to the codes used in the reports.

| Likelihood | Consequences | | | | |
|---|-------------------|---------------|-----------------|--------------|---------------------|
| | Negligible (5) | Minor (4) | Moderate (3) | Major (2) | Catastrophic (1) |
| Almost Certain (A) Event expected to occur several times per year (i.e. Weekly) | Low | Moderate | High | Extreme | Extreme |
| Likely (B) Will probably occur at some stage based on evidence of previous incidents (i.e. Monthly) | Low | Moderate | Moderate | High | Extreme |
| Possible (C) Not generally expected to occur but may under specific circumstances (i.e. Yearly) | Low | Low | Moderate | High | High |
| Unlikely (D) Conceivable but not likely to occur under normal operations (i.e. 5-10 year period) | Insignificant | Low | Moderate | Moderate | High |
| Rare (E) Only ever occurs under exceptional circumstances (i.e. +10 years) | Insignificant | Insignificant | Low | Moderate | High |

Extreme CEO’s attention immediately required. Possibly avoid undertaking the activity OR implement new controls

High Director’s attention required. Consider suspending or ending activity OR implement additional controls

Moderate Manager’s attention required. Ensure that controls are in place and operating and management responsibility is agreed

Low Operational, manage through usual procedures and accountabilities

Insignificant Operational, add treatments where appropriate

PRESENT: Councillors Jenny Houlihan, Les Oroszvary, Dennis Patterson, Kevin Ryan and Fern Summer.

OFFICERS: Gavin Cator – Chief Executive Officer
Steve Bowmaker – Director Infrastructure
Johann Rajaratnam – Director Sustainable Development
Justin Finlayson – Director Business
Kaye Thompson – Director Community
Rebecca Bertone – Official Minute Taker
Lyn Martin – Deputy Minute Taker

1. ACKNOWLEDGEMENT

“We the Greater Shepparton City Council, begin today’s meeting by acknowledging the traditional owners of the land which now comprises Greater Shepparton. We pay respect to their tribal elders, we celebrate their continuing culture, and we acknowledge the memory of their ancestors.”

2. APOLOGIES

Moved by Cr Oroszvary
Seconded by Cr Summer

That an apology be received, and leave of absence granted to Cr Polan.

CARRIED

3. DECLARATIONS OF CONFLICT OF INTEREST

In accordance with sections 77A, 77B, 78 and 79 of the *Local Government Act 1989* Councillors are required to disclose a “conflict of interest” in a decision if they would receive, or could reasonably be perceived as receiving a direct or indirect financial or non-financial benefit or detriment (other than as a voter, resident or ratepayer) from the decision.

Disclosure must occur immediately before the matter is considered or discussed.

4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

4.1 Regional Development Australia Fund Round 4 Funding Agreement.

Disclosures of conflicts of interest in relation to advice provided in this report
Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Council Officers involved in producing this report

Author: Manager Recreation and Parks

Proof reader(s): Recreation and Strategy Team Leader

Approved by: Director Infrastructure

Executive Summary

The Council has received external funding of \$7.19 million from the Federal Government's Regional Development Australia Fund Round 4 (RDAF4) program to carry out significant development at the Greater Shepparton Regional Sports Precinct. These funds are additional to State Government funding of \$750,000 announced in March 2013.

These funds, plus \$250,000 from local sporting groups and a Council contribution of \$5.25 million, combine to form a total project budget of \$13.44 million.

This project will be carried out over three financial years with an expected completion date of August 2016.

The Federal Government has issued a funding agreement for the project and it is proposed that the Council authorises the Chief Executive Officer, to negotiate and sign and seal the Regional Development Australia Fund Round 4 Funding Agreement.

The change of Federal Government leadership on the 26th June 2013 has now led to uncertainty around the election date and the date that the Federal Government will go into care taker mode. During this time, no agreements can be signed. It is therefore imperative that the agreement is signed prior. In order to expedite the signing of the funding agreement, it has been deemed prudent that a special meeting be called to authorise the Chief Executive Officer to sign and seal the agreement.

Moved by Cr Ryan

Seconded by Cr Oroszvary

That the Council:

1. authorise the Chief Executive Officer to sign and seal the Regional Development Australia Fund Round 4 Funding Agreement and
2. continue further negotiations in relation to project milestones and funding payments.

CARRIED.

4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

4.1 Regional Development Australia Fund Round 4 Funding Agreement. (continued)

Background

In 1998, the Council adopted the first version of a master plan for the Shepparton Sports Precinct. This set the blue print for the progressive and strategic development of the facility. The plan was reviewed again in 2008 and in 2012, as part of the preparation of an application to the State and Federal Government; the plan was again reviewed and revised.

Since 1998, the Sports Precinct has seen some significant facilities development, including the construction of hockey and athletics pavilions, floodlighting of the velodrome, construction of an international BMX track, reconstruction and floodlighting of tennis courts, and the installation of a playground and parkland. Progressive development works have also provided, critical infrastructure such as fencing, roads, car parking, shelter and signage.

Most recent works have included the construction of a premier football field and arena, new netball courts and a shelter at the Murray Slee Pavilion.

Over a number of years, approaches and application have been made to the State Government to assist with the development of football (soccer) facilities. In 2013, the Minister for Sport and recreation, the Hon Hugh Delahunty announced a \$750,000 grant to construct four flood lit soccer pitches and a small pavilion.

In May 2013, final application was made to the Federal Government's RDAF 4 program, seeking funding assistance not only to complete all planned football projects, but to pursue the upgrade of athletics, netball and hockey facilities. This application was backed by local sporting community groups with a \$250,000 financial commitment, with Council and State Government contributions used as leverage for additional funding.

In June 2013, the Council was advised it was successful in securing \$7,190,000 through RDAF 4.

These funds, along with contributions from Council, the State Government and sporting groups, will form a \$13,440,000 project that will realise the following outcomes:

- Construction of a new multi-purpose sports field with flood lighting (100 lux) that can accommodate four full sized soccer pitches or one senior Australian Rules /Cricket field.
- Construction of a new small football (soccer) pavilion which includes change rooms and shower facilities accessible from the equestrian centre.
- A new large football pavilion, which will include change rooms, toilet facilities, and social rooms.
- Construction of a new standalone synthetic football pitch with floodlighting (200 lux)
- Construction of a new standalone grass football pitch with floodlighting
- Construction of car parking, roadways and pedestrian paths throughout the precinct.
- Conversion of the grass athletics track to an all - seasons synthetic surface
- Flood lighting of the existing multi-purpose fields (100 lux)
- Construction of 6 new netball courts with flood lighting (200lux)
- Floodlighting of 8 existing netball courts (200 lux)
- Construction of a central boulevard
- Renewal and upgrade of the Murray Slee Pavilion
- Renewal of existing synthetic hockey field surface

4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

4.1 Regional Development Australia Fund Round 4 Funding Agreement. (continued)

- Construction of a new synthetic hockey pitch
- Landscaping, fencing and directional signage
- Construction of a stormwater retention system and storage facility.
- Construction of new irrigation system.
- Installation of two playgrounds.
- Installation of player and spectator seating and shelter throughout the precinct.

The project will is expected to be completed by 31 July 2016.

The funding is subject to the Council signing a funding agreement with the Federal Government. A draft funding agreement has been submitted to Council and is required to be signed and returned before works may commence.

In order to finalise the agreement and to ensure that the deadline for submission is met, it is proposed that the Chief Executive Officer be authorised to sign and seal the Regional Development Australia Fund Round 4 Funding Agreement and continue negotiations in relation to project milestones and funding payment dates.

Council Plan/Key Strategic Activity

The Greater Shepparton Council Plan 2013 calls for the development and promotion of the Shepparton Sports Precinct as a significant regional Victorian multi-sport complex. The funding package offered to the Council will make a significant contribution to achieving this objective.

Risk Management

| Risks | Likelihood | Consequence | Rating | Mitigation Action |
|--|------------|-------------|--------|--|
| Failure to sign funding agreement before federal government moves into caretaker mode – funding offer will lapse | Possible | Major | High | Delegate sign and seal authority to CEO. |

Policy Considerations

There are no policy implications in relation to the signing and sealing of the agreement.

Financial Implications

Accepting the funding and the signing of the funding agreement will commit the Council to a total financial contribution of \$5,250,000 over the 2013/4, 2014/15 and 2015/16 financial years.

Projected expenditure over the next three years as submitted in the application was as follows:

| Funding Sources | 2013-14 | 2014-15 | 2015-16 |
|------------------------|----------------------------|----------------------------|----------------------------|
| RDAF | \$ 1,000,000 | \$ 2,500,000 | \$ 3,690,000 |
| State Government | \$ 750,000 | \$ - | \$ - |
| Community | \$ - | \$ - | \$ 250,000 |
| Council | \$ 845,550 | \$ 2,742,410 | \$ 1,662,040 |
| <u>Totals</u> | <u>\$ 2,595,550</u> | <u>\$ 5,242,410</u> | <u>\$ 5,602,040</u> |

4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

4.1 Regional Development Australia Fund Round 4 Funding Agreement. (continued)

The timing and criteria for release of payments of payments will be documented in the funding agreement and will be negotiated to ensure appropriate cash flows are available to ensure the Council meets commitments in relation to contract payments and purchases arising directly from the project, and that these do not have an impact on other financial commitments and liabilities of the Council.

Legal/Statutory Implications

The funding agreement is a binding legal contract and has been reviewed and endorsed by the Council's Risk Management Coordinator. The agreement will be reviewed by the Council's legal advisers prior to sign off.

Environmental/Sustainability Impact

The project will provide the following environmental benefits:

- Construction of a major storm water recycling system that collects all rainfall from the site and delivers it for reuse from a 100ML storage facility. It is anticipated that the recycling system will provide the majority of water required for irrigation of turf fields.
- New, highly efficient irrigation systems will be installed to ensure water consumption for irrigation is minimised. This will be a critical requirement to ensure a sustainable future for the site in view of long-term water restrictions associated with the Goulburn River system.
- Building design and construction that focuses on environmentally-sensitive materials and construction methods, with solar systems to major roof areas installed on most buildings.
- The establishment of extensive areas of new planting of locally indigenous trees, shrubs, and grasses and this will provide a vastly improved habitat for native fauna.

Social Impacts

The redeveloped Greater Shepparton Sporting Precinct redevelopment will provide significant opportunities for residents to participate in organised sport, while the inclusion of walking and cycling paths will ensure that the precinct is accessible to the broader community, thus facilitating higher levels of recreational activity. Benefits for the community associated with additional recreational opportunities include:

- Health benefits associated with increased exercise and recreational activity
- Contribution to improved community interaction and social network building (important in this area with a high proportion of new migrants)
- Contribution to improved liveability which may assist in attracting new residents and businesses to Shepparton

ABS Voluntary Work, Australia data shows that approximately 1 in 3 of all non-domestic volunteers are involved with sports and recreational activities and this suggests some 3,100 Greater Shepparton residents (aged over 15 years) are associated with volunteer work in the sporting and recreational sector. The considerable expansion of sporting and recreational activities and associated events facilitated through the redevelopment of the Greater Shepparton Regional Shepparton Sporting Precinct is therefore likely to provide new opportunities for community involvement in volunteer activities.

Economic Impacts

Based on a study prepared by Essential Economics in April 2013, the project is expected to deliver the following economic benefits to the region:

4. OFFICE OF THE CHIEF EXECUTIVE OFFICER

4.1 Regional Development Australia Fund Round 4 Funding Agreement. (continued)

- Investment of \$13.4 million delivered through a partnership approach between Council (39%), Federal Government (53%), State Government (6%) and local sporting groups (2%)
- Approximately 220 EFT jobs (direct and indirect) supported during construction of the Precinct, which represents a major project for a Region experiencing very high levels of unemployment
- Approximately 15.5 EFT jobs (direct and indirect) would be supported permanently through the operation and maintenance of the redeveloped facility, and this represents a net increase of 7.5 EFT jobs compared to the existing situation
- Visitation of approximately 265,000 participants, officials and spectators over 10 years for national and state-wide events alone, approximately 132,500 of whom will be from outside the Region
- Visitor spending stimulus to the Region of \$82 million (NPV) over 10 years, or \$8.2 million per year (NPV), supporting approximately 105 EFT jobs on an ongoing basis in visitor-related sectors (accommodation, retail, cafes, restaurants etc.)
- Benefit cost ratio of 3.2:1 over the initial 10 years of operations of the redeveloped facility.

Consultation

This project and the planning of the Greater Shepparton Regional Sports Precinct has been subject to considerable community consultation and engagement and has received widespread support from local, state and national sporting organisations.

As the project moves into detailed design and construction stage, further community engagement processes and activities will be initiated. This will be supported by the Council's application of the Prince2 project management framework, which by necessity requires end users and key stakeholders to be included in defining project outcomes and end products.

Officers believe that appropriate consultation has occurred to the current stage of the project and that commitment to the funding agreement is now ready for Council consideration and delegation of authority to the CEO for signing.

Strategic Links

a) Sport 2050 Strategic Plan

b) Greater Shepparton Football Strategy

c) Greater Shepparton Regional Sports Precinct Master Plan

Options for Consideration

Adopting a resolution to sign and seal the funding agreement at the next available Council meeting in September would almost certainly fall within the caretaker period and without a signed funding agreement, it is possible that the next Government may not honour the funding offer.

Conclusion

That the Council delegates to the Chief Executive Officer, authority to negotiate and sign the Regional Development Australia Fund Round 4 Funding Agreement.

Attachments

Nil

5. CONFIDENTIAL MANAGEMENT REPORTS

5.1 Designation of Confidentiality of Information

Moved by Cr Oroszvary
Seconded by Cr Summer

That pursuant to section 89(2)(d) of the *Local Government Act 1989* the Council meeting be closed to members of the public for consideration of a confidential item.

CARRIED.

5.2 Funding Agreement for Streetlighting Project

5.3 Reopening of the Council Meeting to Members of the Public

MEETING CLOSED AT 5.38PM