



## **SNOWY VALLEYS COUNCIL MEETING**

### **LATE REPORTS**

**17 MARCH 2022**

THE MEETING WILL BE HELD AT 2.00PM  
IN THE TBA AND VIA VIDEO LINK

## **Statement of Ethical Obligations**

Councillors are reminded of the oath or affirmation of office they made under section 233A of the Local Government Act 1993 and the obligation under Council's Code of Conduct to disclose and appropriately manage conflicts of interest.

### **Disclosure of Pecuniary Interests at meetings (extract from the Code of Conduct – Part 4)**

**4.28** Councillor or a council committee member who has a pecuniary interest in any matter with which the council is concerned, and who is present at a meeting of the council or committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.

**4.29** The councillor or council committee member must not be present at, or in sight of, the meeting of the council or committee:

- (a) at any time during which the matter is being considered or discussed by the council or committee, or
- (b) at any time during which the council or committee is voting on any question in relation to the matter.

**4.30** In the case of a meeting of a board of a joint organisation, a voting representative is taken to be present at the meeting for the purposes of clauses 4.28 and 4.29 where they participate in the meeting by telephone or other electronic means.

**4.31** Disclosure made at a meeting of a council or council committee must be recorded in the minutes of the meeting.

### **Disclosure of Political Donations and Gifts**

The *Environmental Planning and Assessment Act 1979* places obligations on Councillors, staff, applicants and any person who makes a public submission, to disclose information relating to political donations and gifts during the environmental plan making or development assessment process.

The fact that political donations or gifts have been made by applicants / proponents of a planning application should not affect whether an application is approved or refused. Political donations or gifts should not be relevant in making a determination. The matter should be determined on its merits. Nor do they provide grounds for challenging the determination of any applications.

For further information, visit [www.planning.nsw.gov.au/donations](http://www.planning.nsw.gov.au/donations)

Furthermore, for each planning decision made at a Council or Committee Meeting, the names of Councillors who supported the decision and those that oppose the decision must be recorded. (*Sec. 375A of the Local Government Act 1993*)

### **Use of mobile phones and the unauthorised recording of meetings (extract from the Code of Meeting Practice – Section 15)**

**15.21** Councillors, council staff and members of the public must ensure that mobile phones are turned to silent during meetings of the council and committees of the council.

**15.22** A person must not live stream or use an audio recorder, video camera, mobile phone or any other device to make a recording of the proceedings of a meeting of the council or a committee of the council without the prior authorisation of the council or the committee.

**15.23** Any person who contravenes or attempts to contravene clause 15.22, may be expelled from the meeting as provided for under section 10(2) of the Act.

**15.24** If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using only such force as is necessary, remove the first-mentioned person from that place and, if necessary, restrain that person from re-entering that place for the remainder of the meeting.

### **Livestreaming of Meetings**

#### **(extract from the Code of Meeting Practice – Section 5)**

This meeting is live streamed on Council's website to allow the community to follow Council debates and decisions without the need to attend meetings in person. Members of the public attending or speaking at a meeting agree to have their image, voice and personal information (including name and address) recorded and publicly broadcast. Snowy Valleys Council does not accept liability for any defamatory remarks or inappropriate comments that are made during the course of a meeting. Any part of the meeting that is held in closed session will not be streamed.

**5.19** All meetings of the council and committees of the council are to be webcast on the council's website.

### **Photography**

Flash photography is not permitted at a meeting of the Council or a Committee of the council without the consent of the Chief Executive Officer.

### **Public Forum**

#### **(extract from the Code of Meeting Practice – Section 4)**

**4.1** The Council may hold a public forum prior to each Ordinary Council meeting for the purpose of hearing oral submissions on items of business to be considered at the meeting.

**4.2** Public forums are to be chaired by the mayor or their nominee.

Those attending must comply with the terms and conditions of the Code of Meeting Practice which can be viewed on Council's website;

[Council Meetings - Snowy Valleys \(nsw.gov.au\)](http://www.snowyvalleys.nsw.gov.au)



Thursday 17 March 2022  
Snowy Valleys Council Chambers  
Tumut  
2.00pm

## LATE REPORTS

### 11. MANAGEMENT REPORTS

11.8	TOOMA HALL BUSHFIRE LOCAL ECONOMIC RECOVERY FUND GRANT - UPDATED LATE REPORT .....	2
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### 1. CONFIDENTIAL

**11. MANAGEMENT REPORTS****11.8 TOOMA HALL BUSHFIRE LOCAL ECONOMIC RECOVERY FUND GRANT - UPDATED LATE REPORT**

**REPORT AUTHOR:** MANAGER TECHNICAL SERVICES  
**RESPONSIBLE DIRECTOR:** EXECUTIVE CHIEF OF STAFF

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**EXECUTIVE SUMMARY:**

This report seeks Council's consideration of the funding received by the Tooma Recreation Reserve s355 Council Committee (TRRC) under the Bushfire Local Economic Recovery Fund (BLERF) for a project proposal involving the modernisation and replacement of assets of the Tooma Hall to the value of \$997,446.00.

This project has important benefits for the local Tooma community however the size of the funding and complexity of the community project presents Council with significant risk. The project will also potentially result in Council inheriting an ongoing financial burden and therefore impact on Council's long term sustainability.

In order to minimise financial impacts on Council by this project as well as provide the community with a modernised facility it is recommended to endorse the funding and initiate the transfer of the facility to an appropriately managed community organisation.

**RECOMMENDATION:****THAT COUNCIL:**

1. **Receive the report on Tooma Hall Bushfire Local Economic Recovery Fund (BLERF) Grant – Updated Late Report.**
2. **Authorise the Chief Executive Officer to write to the Tooma Hall s355 Committee advising Council approval of the project subject to:**
  - a. **the building being transferred from a Council asset to an appropriately managed community organisation due to Council's current financial position and the ongoing cost implications of such a significant improvement to the Council asset on the ratepayers;**
  - b. **the project being managed within Council's project management framework to ensure appropriate project governance and risk management;**
3. **Approve the disposal of the assets within the Tooma Recreation Reserve excluding a proposed subdivision of the Rural Fire Service and State Emergency Service assets.**
4. **Authorise the Chief Executive Officer to communicate to the Tooma Recreation Reserve s355 Council Committee and the Bushfire Local Economic Recovery Fund (BLERF) funding body of the intention to divest Council of the asset.**
5. **Provide support to the s355 Tooma Recreation Reserve Committee to transition to an incorporated association if required.**

**BACKGROUND:**

The Tooma Recreation Reserve is managed by a s355 Committee of Council. The group is very active and has been successful in receiving funds and delivering projects at the facility for a long period of time. Currently the committee pays for the electricity and operating costs of the hall with Council reviewing asset conditions and undertaking capital replacements when required.

The TRRC has recently been successful in its application to the Department of Industry, Science, Energy and Resources *Bushfire Local Economic Recovery Fund* (BLERF). Their application is for renewals and upgrades at the Tooma Hall to the value of \$997,446.00 and was accompanied by an “in principle” letter of support from Council. In order to receive this funding the associated deed requires the endorsement from Council and the signature of the Chief Executive Officer.

The BLERF is targeted at communities impacted by the bushfires in the 2019/2020 bushfire season. The Tooma district was heavily impacted by fire in 2009 and then again in 2019/2020. The Tooma area was isolated during the 2019/2020 bushfires due to impacts from multiple fires. The community identified the need to have a more up to date facility that can meet current requirements to assist those in need when the community is isolated for a period of time. Areas of the community were isolated for over two weeks with power not restored for another two weeks after access was provided.

With the conditions, timing and speed of which the Green Valley and Dunns Road fires travelled, evacuation to regional centres was not an option for some residents. The Tooma Road and Victorian Roads were all impacted by fire and closed as they were unsafe. The community identified that improvements could be made to the hall to better function for the recovery of disasters and enhance this existing approved “Neighbourhood Safer Place”.

## **REPORT:**

The current footprint of the Tooma Recreation Reserve includes the Rural Fire Service (RFS) Brigade Shed and the State Emergency Service (SES) Shed which is currently under a lease arrangement. These two sheds are under the management and financial responsibility of Council as well as the adjacent hall and amenities building.

The current state of the hall and amenities building is inadequate for the communities’ requirements, highlighted by the recent bushfires, with many of the facilities components, including the amenities, non-compliant with current access standards. Also many of the facilities components are approaching the end of their useful life in the next 10-15 years.

The project proposal has a number of different components involving design and construction. Specifically the proposal includes a new deck and storage area, replacement of air conditioning and electrical systems, knock down and rebuild of the current amenities block, refurbishment of the kitchen, painting and renovation of the hall room and supper rooms, provision of concrete tanks and replacement of the septic tank. Works also include disabled access, outside lighting, new roof and stainless steel commercial kitchen. The project also includes provision of compliant access to the side entry to the hall with replacement of a steep concrete ramp, plus external lighting and a disabled parking area. Railing will be installed at the front formal entry to also improve safety. These works are a mixture of capital renewal and new assets with a focus on making the hall and facilities more suitable for use as a place of last resort point during a disaster as well as for regular use by the local community.

The TRRC are seeking to project manage and acquit the funding themselves and have allowed for assistance with project management plus a 10% contingency as part of their application. The TRRC held a meeting regarding the grant on 7<sup>th</sup> March 2022 and have established a subcommittee for the management of the project. The subcommittee have a wide range of applicable skill sets and are keen to action the project with Council’s endorsement. The Committee plans to meet regularly and provide regular reports both to Council and to the community.

The project funding deed is required to be signed off by the Chief Executive Officer and returned by the 23 March 2022. An extension has been requested by the Committee at the time of this report, for which acceptance has not yet been communicated. Expenditure of the funds is required by 30 June 2024.

As noted, Council provided an “in principle” letter of support which included a request to the committee to provide a project plan in accordance with Council’s adopted Project Management Framework. To date the committee has not provided the project management plan and schedules associated with the delivery of this project. Council’s allocated staff member will work with the

Committee to assist them to meet the requirements of the project management framework as a condition of the funding acceptance.

This project proposal has the potential for significant benefit to the local Tooma community by providing a modern multi-use facility. The local community is also highly motivated to see this project come to fruition.

Unfortunately, the improvements that would result from this project would likely undermine the financial sustainability of this asset and further impact detrimentally on Council's overall financial sustainability. Due to the timeframes involved, a fit-for-purpose, cost benefit analysis and engagement of the Tooma and greater Snowy Valleys community on affordability was not achievable.

Included in Council's "in principle" letter of support to the Committee, it was noted that Council may investigate the option of transferring the ownership of the land to a suitable community custodian. Given the aforementioned, this option would enable taking advantage of the available funding and improve an outdated community facility whilst improving Council's long term sustainability, and therefore this is the recommended option.

The Talbingo Community Association recently went through the same process and transferred their funding from a section 355 committee to an incorporated group successfully.

Given the timing of the funding and the processes involved in transferring ownership, Council would need to endorse the project and funding grant, maintain principal oversight of the project and commence the transfer process including creating a subdivision to retain control of the land housing the RFS and SES buildings.

#### **LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:**

##### **Integrated Planning and Reporting Framework:**

##### **CSP Outcome 2028**

Theme 5: Our Infrastructure

##### **Delivery Outcomes**

5.2 Provide well maintained safe, vibrant and accessible community spaces and facilities

#### **SUSTAINABILITY ASSESSMENT:**

	<b>Positive</b>	<b>Negative</b>
Social	The new facilities will provide a more suitable venue with up to date facilities for the community and other users to gather in a social setting	Whilst development is underway, site access will need to be limited. This may mean the facility is unusable for the community as a gathering place for short periods of time.
Environmental	The project will replace the under sized septic tank and improve the capacity and output of the septic system. This will be more compliant with the needs of the space.	Nil
Economic	The venue is likely to better support economic activities in the area such as events that also provide benefits for local businesses	The whole of life cost for the new construction items will incur additional costs for Council
Governance	The designated Council contact will need to ensure	As was found with the Khancoban Hall upgrade,

	<b>Positive</b>	<b>Negative</b>
	the appropriate procedures and policies are followed. This will include under procurement, site and project management and the reporting and acquittal of the project. The elected sub committee will minimise the workload on Council for the delivery of this project and have committed to liaise with Council to ensure all Council requirements are met.	significant Council staff time and resources will be required to assist the community group in meeting appropriate governance standards. Council currently has a large project workload with suitably experienced staff beyond capacity.

### Financial and Resources Implications

The TRRC proposes to deliver this project and have established a subcommittee to oversee this delivery. Within the funding application the committee have also allocated sufficient budget for a project manager as well as development application costs, architectural engagement costs and contingency for the project. The subcommittee members bring extensive relevant experience which they believe will allow them to successfully deliver the project as well as limit the impacts on Council resources required for the development and implementation of the project.

Should the project proceed Council will be required to provide a suitable level of supervision to ensure compliance with Council policies, procedures and the project management framework. These costs are estimated at \$10,000.

Council will also incur additional ongoing costs as a result of this project by way of depreciation if the facility remains under Council ownership. The forecast increase in annual depreciation for this project is \$14,000.00 per year. This has been calculated by splitting the different refurbishment components of the project into renewal of assets and new assets and allocating proportioned project costs.

Useful lives have been allocated based on the individual outlined component and adopting standard life cycles based on the IPWEA Asset Management and Financial Management Guidelines – Practice Note 12 2017- Useful Life of Infrastructure. This cost is the equivalent of approximately 0.152% of rates income received by Council each year with 1% of Council's rate base being approximately \$92,000.

The ordinary rates collected by Council in 2021/2022 from the Tooma area (plus postcode 2642) was \$337,000 from 60 properties. It is estimated that 80-100 local community members use the current facility.

Under Councils Financial Sustainability Plan:

Item 6, Council is to *'Review all new and upgrade proposals for sustainability criteria prior to funding submission and clearly document this in submissions and project plans'*. Council was unable to meet the timelines for delivery of this aspect of the Financial Sustainability Plan due to the lack of time available for submission of BLERF grants for round 3. The project had been discussed by the community but not developed into the current project due to the lack of funding opportunities previously identified."

Item 25, of the Financial Sustainability Plan, Council is to *'Undertake a needs analysis for recreational activities and community buildings, considering asset renewal needs, potential new/upgrade assets to meet community needs, opportunities for disposal etc. as part of preparing the Open Space and Facilities SMP'*. With the level of active involvement in the 355 Committee and their proactiveness in applying for funding for renewal and expansion of the asset base, it is understood that the Committee see the facility is not meeting community needs and opportunities.



Unfortunately there has been insufficient time to assess utilisation and fit for purpose evaluation of the existing facility vs the proposed upgraded facility.

Item 28, refers to 'Enable community groups to deliver projects and events that sit outside Council's responsibility'. Council has not prioritised the works identified in the project for renewal as they had not reached the end of their useful life and an upgrade was not identified in Council's Asset Management Plans or the Community Strategic Plan.

The proposal to endorse the project and subsequently transfer ownership will incur initial costs to Council. The requirement for RFS and SES land to be under the control of Council will require appropriate subdivisions and associated works for legal sale. An allowance of \$5,000 would need to be provided for this to take place.

### Costs and Benefits:

Financial Costs	Financial Benefits	Benefits	Opportunities
The total project has been costed to \$997,446.00. This has been split to \$546,000 of renewal of assets and the remainder to increasing Council's asset base.	By approving and undertaking this project, Council will be enabling asset renewals using external funding opportunities.	The project will deliver a refurbished and more user friendly and functional community asset.	This is an opportunity for Council to dispose of an asset and decrease depreciation by over \$12,000.00 per year
If Council approves the management of the project by the Committee, Council will not need to apply overheads for the project. The Committee did not include provision withing their application for the inclusion of overheads	It is anticipated that there will be cost savings with the change over to LED lights and replacing aged electrical works.		
The financial year operating costs of the facility to the end of February 2022 have been \$12,413 for depreciation and impairment, \$308 for internal recharges and overheads and \$142 for servicing of the fire extinguishers.	New assets will have less maintenance and operational costs, short term, compared with assets approaching their end of useful life.		

### Policy, Legal and Statutory Implications:

The project will need to be delivered in compliance with Council's policies and procedures including Council's adopted Project Management Framework and the Council Committees policy and operating manual.

Disposal of the land and assets to a community group for a nominal figure will be in direct contravention to the endorsed Disposal of Asset Policy of SVC. This can potentially be alleviated if the incorporated body is set up as a not for profit organisation. If the Community have not established

a suitable not for profit organisation, Council will need to go to EOI or tender for the disposal of the asset.

As the funding has been awarded to a s355 Committee of Council, it is effectively a Council project which would be needed to be delivered by Council. As such it has been recommended that the transfer of the finished asset is to be undertaken at completion of the project

#### **RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC:**

If the project was to be endorsed, Council will need to have regular engagement with the established subcommittee to ensure the project is governed and reported appropriately through the project management framework. By regular reporting and maintaining communication between the subcommittee and the designated Council contact, the risk of the project not following the appropriate procedures and policies can be minimised.

There is a risk with the current increase in pricing in the construction industry that the full project would not be able to be delivered. The subcommittee would need to prioritise the relevant project components for delivery and monitor the budget allocations and contingencies closely.

There is a small risk that with the current boom in the construction industry that potential contractors to deliver the project may be limited, or the prices submitted will be inflated. The subcommittee is aware of these issues. The Committee proposes to go to the market via Council's tender system in late 2022 or early 2023, in line with the grant timelines. The engaged contractors for this project will be, by way of the delegated Council Officer, in accordance with Council's procurement and Integrated Management System including registration and approval within Council's safety and insurance system.

As a full Project Management Plan has not been provided to Council in line with the Project Management Framework, a full assessment of the risks of the project and delivery is unable to be ascertained.

<b>Risk</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Rating</b>
LEGAL - Non-compliance of subcommittee with Council policy and procedure for project life	Possible	Minor	Medium
Legal – A significant change to the submitted grant funding application may result in the offer of funding being withdrawn	Likely	Catastrophic	<b>Extreme</b>  - <b>outside of councils risk tolerance</b>
Environmental & Public Health This project provides renewed septic facilities for the appropriate management of effluent. The upgrading of fencing around the play areas to compliant will also improve the functioning of the area	Possible	Minor	Medium
Financial – ability to deliver the project detail within funding arrangements	Possible	Minor	Medium
Service Delivery – signing of the funding deed without adherence to councils project governance framework would	Possible	Major	<b>High</b>

Risk	Likelihood	Consequence	Rating
subject council to various project risks including financial, scope creep and diversion of resources			- <b>outside of council's risk tolerance</b>

**OPTIONS:**

Council can choose to:

1. Adopt recommendations
2. Alter the recommendations
3. Reject the recommendations and accept the funding without an asset disposal condition, but still subject to the following:

**1. Authorise the Chief Executive Officer to sign acceptance of the funding deed on behalf of Council's Tooma Recreation Reserve s355 Committee.**

**2. Authorise the Chief Executive Officer, upon receipt of the funding, to transfer the value received to the Tooma Recreation Reserve s355 Committee for the direct management of the project, subject to compliance with Council's policy and procedures and project management framework which includes regular project progress and financial reports**

**3. Authorise the Mayor and Chief Executive Officer to affix Council seal and execute any documents relevant to the project**

**4. Write to the Tooma Recreation Reserve Committee, indicating that Council accepts their proposal for project management by their subcommittee, and stipulate compliance with Council's project management framework.**

**COUNCIL SEAL REQUIRED:**

If Council support the funding deed execution the Council Seal will be required as the funding agreement is between Council and the Commonwealth Government.

**COMMUNITY ENGAGEMENT AND COMMUNICATION:**

Council will need to engage with the TRRC to communicate the resolution of Council. If this is to proceed then timely signing of the funding deed will be required. Early engagement by the staff contact to ensure the mechanism for the required project governance and procedural processes is established will be initiated on execution of the funding deed.

No external communications apart from project updates in accordance with the communication plan component of the project framework and the formal tender processes are forecast.

**ATTACHMENTS**

- 1 20210929 - Support - Black Summer Bushfire Recovery Fund grant application - Tooma Recreation Reserve Committee (under separate cover)
- 2 20211006 - Application - Black Summer Bushfire Recovery Grants Program (under separate cover)
- 3 20220307 - Letter - Tooma Recreation Reserve Committee (under separate cover)