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AGENDA

SCHEDULED MEETING OF MOIRA SHIRE COUNCIL **FOR** **WEDNESDAY 28 JANUARY 2026** **TO BE HELD AT COBRAM CIVIC CENTRE** **COMMENCING AT 5:00 PM**

RECORDING

Consistent with Council's Live Streaming and Publishing Recordings of Council Meetings Policy, Council officers have been authorised to record the public session of this meeting using an audio-visual recording device.

LIVE STREAMING

Council meetings are live streamed and recorded to allow members of the public to view proceedings and to access Council decisions and debate without attending the meeting in person.

1. WELCOME CALLING TO ORDER – CEO

2. PRAYER

Almighty God we humbly ask you to guide our deliberations for the welfare and benefit of the Moira Shire and its people whom we serve.

Amen

3. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Moirā Shire Council acknowledges the Yorta Yorta Nation as the Traditional Owners of this land.

We recognise the deep spiritual connection to land, waterways and community of the eight clan groups of Yorta Yorta Nation.

We pay our respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander Peoples.

4. APOLOGIES / LEAVE OF ABSENCE

- 5. MINUTE OF SILENCE – BONDI BEACH TERROR ATTACK**
- 6. DISCLOSURE OF CONFLICTS OF INTEREST**
- 7. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

Recommendation: That the minutes of the Scheduled Council Meeting held on Wednesday, 10 December 2025, as presented, be adopted.

8. ADMINISTRATOR ADDRESSES

9. COMMUNITY

- 9.1 COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026 3

10. CORPORATE PERFORMANCE

- 10.1 CONTRACTS AWARDED UNDER CEO DELEGATION 11
- 10.2 INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY 14

11. INFRASTRUCTURE

- 11.1 C034/25 - DISASTER RECOVERY FUNDING AGREEMENT (DRFA)
RECONSTRUCTION OF ESSENTIAL PUBLIC ASSETS (REPA) – AGRN
1037 – TREATMENTS ST5, ST11 AND ST12 37

12. NOTICES OF MOTION

13. PETITIONS AND JOINT LETTERS

14. COUNCIL SEAL

15. URGENT BUSINESS

16. PUBLIC QUESTION TIME

17. CLOSE OF MEETING

FILE NO:
HEALTHY, SAFE, WELL SERVICED AND
CONNECTED COMMUNITIES.

ITEM NO: 9.1
(DIRECTOR COMMUNITY, SCOTT
WILLIAMS)
(DIRECTOR INFRASTRUCTURE, RACHAEL
GADD)

COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026

Officer Recommendation

That Council:

1. note the report on Council's response to the fire events within the Moira Shire, including the Yarroweyah grass fire of 9 January 2026;
2. supports continued recovery activities and ongoing improvement of emergency management arrangements; and
3. formally acknowledge and thank;
 - (a) local emergency services organisations for their tireless and courageous work including Country Fire Authority volunteers and staff, Forest Fire Management Victoria, Victoria Police, Red Cross and the Department of Families, Fairness and Housing;
 - (b) council staff for their preparedness and swift mobilisation to emergency response; and
 - (c) community organisations who assisted with relief delivery including Moira Food Share and the Cobram Community House.

1. Purpose

The purpose of this report is to provide an overview of Council's response to fire events within the Shire on Friday, 9 January 2026, which caused significant damage to residential dwellings, farming and community infrastructure. It also provides information on the relief and recovery process coordinated by Council following the fires.

2. Background

This summer, the Shire has been subject to elevated fire risk due to low soil and vegetation moisture levels along with hot, dry and windy weather patterns. The Shire is part of the Northern Country Fire district, and on 9 January 2026, the district was declared a catastrophic fire danger day along with a total fire ban and heatwave declaration.

Fire incidents can escalate rapidly and have severe consequences for residents, property, primary production, local businesses, critical infrastructure and environmental assets. Council's role in fire events is governed by the Emergency Management Act 2013 (Vic) and associated arrangements, which assign fire suppression to combat agencies (principally the CFA) while assigning council's responsibilities for municipal emergency management, resourcing response, along with emergency relief, recovery and community support.

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COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026 (cont'd)

Victorian Government Declaration of a State of Disaster

On 10 January 2026, the Victorian Government declared a State of Disaster in response to the severity and scale of fire activity across parts of Victoria, including areas impacted in Moira Shire. The declaration enabled the Government and emergency management agencies to utilise extraordinary powers to protect life, property and critical infrastructure, including the ability to access private property, enact evacuations and resource deployment where necessary.

The State of Disaster declaration acknowledged the unprecedented conditions being experienced, including extreme fire danger, rapidly spreading fires and heightened risks to communities. For Council, the declaration reinforced the seriousness of the Yarroweyah fire and surrounding incidents at Waaia and Nathalia. It also supported a coordinated, whole-of-government response to emergency management, relief and recovery activities.

OVERVIEW OF FIRE EVENTS

Emergency Response Activation

Council staff enacted protocols for business continuity and emergency response on 8 January 2026 anticipating the upcoming fire danger predictions for 9 January. This included actioning municipal emergency management sub plans for fire and heatwave along with the standard operating procedure for a Catastrophic fire danger period declaration.

A Municipal Emergency Coordination Centre (MECC) was established at the Cobram offices, along with a staff emergency management roster and an Emergency Management Liaison Officer (EMLO) was placed on standby to attend the Shepparton Incident Control Centre (ICC) if requested.

Travel was also reduced to essential service activities and required prior approval to ensure Council officer safety for 9 January.

By mid-afternoon on 9 January, three fires were burning at Nathalia, Waaia and Yarroweyah. Council was requested by the Incident Controller to deploy resources at Waaia and Yarroweyah, including water tankers and signage and staff to install road closures.

Yarroweyah Fire – Friday, 9 January 2026

The Yarroweyah fire escalated rapidly due to windy conditions, and evacuations commenced from Yarroweyah through to Katamatite. Council opened an Emergency Relief Centre (ERC) in Cobram at 3:00pm to assist community members who had evacuated their properties. The ERC continued to operate until the afternoon of 10 January 2026, when a wind change saw the fire brought under control.

Fire Impact Estimates (to be confirmed by secondary impact assessments):

- Area burned: Approximately 950 hectares of farmland
- Residential properties: 13 houses destroyed and 1 house damaged
- Additional losses: Significant quantity of sheds, vehicles, farming equipment, fencing and fodder

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COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026 (cont'd)

Council's Response Activities

During the Yarroweyah fire, Council activated its internal emergency management arrangements to support response operations:

- Council officers liaised with incident control and established a staffed MECC on a 24 hour roster;
- Provided municipal information, situational updates and local area knowledge;
- Supplied information relating to Council-managed assets and infrastructure;
- Monitored road conditions and access, including impacts on local road networks;
- Collaborated with CFA, Victoria Police, Emergency Management Victoria and other agencies;
- Provided resources on the ground to support CFA and police to manage the fire ground;
- Provided an EMLO and administration support staff within the ICC on a 24 hour roster.

Infrastructure Assessment and Recovery

On 12 January Council officers acquired early permission from the Incident Controller to enter the fireground to assess damage to roads and replace damaged infrastructure. Working alongside Forest Fire Management Victoria (who assessed burnt roadside trees) and PowerCor (who re-established electrical infrastructure). This enabled roads to be safely reopened on 13 January.

An arrangement was also made with Forest Fire Management for the removal of burnt and damaged trees from roadsides. The timber will be transported and stored at the Muckatah Reserve with intention of preparing it to be distributed back to the community for firewood.

RELIEF AND RECOVERY ACTIVITIES

Recovery Information Centre

Following the ICC direction to close the Emergency Relief Centre on 10 January, a Recovery Information Centre (RIC) was established on 11 January, in Station Street, Cobram. Council staff and representatives from the Department of Families, Fairness and Housing (DFFH), Red Cross and others were present to assist with relief and recovery questions.

A community meeting was also coordinated at the Katamatite Recreation Reserve and live streamed on Council's Facebook page on 10 January. The meeting was well attended and provided information for affected and concerned residents regarding the fire event traffic management along with initial relief and recovery plans. The RIC service then transitioned to Cobram Council offices on 20 January 2026 when enquiries reduced.

RIC Statistics as at 22 January:

- More than 160 walk-in visits recorded
- 20 telephone enquiries processed

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COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026 (cont'd)

Common requests related to accessing DFFH Emergency Relief payments and information on immediate needs such as food, personal items, fencing repairs, livestock feed and waste disposal.

Community Engagement and Support

- Community meeting held in Katamatite on 10 January
- Dedicated recovery case manager engaged to connect with impacted residents
- Community recovery breakfast held at Yarroweyah on 22 January 2026, supported by several government service providers
- BlazeAid established a staging ground at the Yarroweyah Recreation Reserve, working with property owners to clear damaged fences and rebuild fences
- Secondary impact assessments commenced on 20 January 2026 with building surveyors, Environmental Health Officers and a Case Manager for psychosocial support
- Timely updates to the community via Council's website and social media channels
- Coordination of messaging with emergency management agencies
- Support for recovery information and outreach activities

Clear, consistent and coordinated communication was critical to supporting residents during the rapidly evolving emergency and throughout early recovery.

COMMUNITY IMPACT

The fires have had substantial and lasting impacts on the community:

- Displacement of residents from their homes and homes destroyed.
- Significant loss of agricultural infrastructure
- Financial stress for primary producers and households
- Emotional distress and trauma across the community

Council acknowledges the resilience demonstrated by affected residents and the strong community support evident during response and recovery efforts.

SUPPORT AVAILABLE TO THE COMMUNITY

Victorian Government Emergency Relief Payments

Emergency Relief Payments are available for eligible people affected by the January 2026 fires including \$680 per adult, \$340 per child, up to a maximum of \$2,380 per eligible family.

Federal funding support for relief payments was also announced on 20 January.

Mental Health and Wellbeing Support

Mental Health and Wellbeing Local provides Moira Shire residents with free, accessible and locally based support for anyone experiencing mental health or wellbeing challenges.

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COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026 (cont'd)

BlazeAid and Volunteer Recovery Support

BlazeAid volunteers are assisting with rebuilding fencing and other farm infrastructure that has been damaged or destroyed.

Support for Primary Producers and Farming Families

Farmers have access to support services through:

- Agriculture Victoria
- BlazeAid
- Goulburn Murray Water
- Rural Finance
- Rural Financial Counselling Service
- Victorian Farmers Federation
- Need for Feed

MINISTERIAL AND PARLIAMENTARY VISITS

Following the fire event, visits were received from several Victorian and Federal Government representatives:

- The Hon. Lily D'Ambrosio MP, Minister for Climate Action, Minister for Energy and Resources, and Minister for the State Electricity Commission
- Mr Sam Birrell MP, Federal Member for Nicholls
- Mr Tim McCurdy MP, Member for Ovens Valley
- Mr Danny O'Brien MP, Member of the Legislative Assembly for Gippsland South and Leader of The Nationals
- The Hon. Nick Staikos MP, Minister for Consumer Affairs and Minister for Local Government

These visits demonstrated strong support for the local community and provided opportunities to discuss recovery support arrangements and coordination between agencies.

3. Council Plan Alignment

Pillar One Community - Healthy, safe, well serviced and connected communities.

4. Relevant Council Strategies, Plans and Policies

The following Council Strategies and Plans are relevant to this report:

- [Council Plan](#)
- [Municipal Emergency Management Plan](#)

The following Council Policies are relevant to this report:

- [Community Engagement Policy](#)
- [Risk Management Framework](#)

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COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026 (cont'd)

5. Relevant Legislation

- [Local Government Act 2020](#)
- [Local Government Act 1989](#)
- [Local Government \(Moirā Shire Council\) Act 2023](#)

6. Financial Considerations

The financial impacts of this report are detailed below, should the recommendation be accepted by Council.

BUDGET IMPACT	No Impact (already included in approved budget)	Low Impact (less than \$20k variance to budget)	Medium Impact (between \$20k and \$100k variance to budget)	High Impact (greater than \$100k variance to budget)
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Council incurred costs associated with

- Emergency relief and recovery activities
- Staff deployment and overtime
- Infrastructure inspections, clean-up and restoration
- Community engagement and recovery coordination

Council continues to engage with State and Commonwealth agencies regarding potential disaster assistance and reimbursement, subject to eligibility and verification processes. To date \$400,000 has been allocated to Council through the Victorian Government's Council Support Fund.

7. Resource Considerations

The resource impacts of this report are detailed below, which provides an indication of resource hours required to implement the decision, should the recommendation be accepted by Council.

RESOURCE IMPACT	No Impact (less than 2 hours)	Low Impact (less than 20 hours)	Medium Impact (between 20 and 100 hours)	High Impact (greater than 100 hours)
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

At least fourteen staff were deployed from their substantive roles into the emergency management structure full time for a period of 5 days for the response and relief phase of the event. Ten staff continue to be engaged in relief and recovery activities which will continue for at least three weeks to provide community support and undertake secondary

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COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026 (cont'd)

impact assessments. This redeployment of staff has had an impact on business as usual service delivery for the month of January 2026.

8. Risk Appetite

Moirā Shire Council's adopted Risk Appetite is 'Guarded'. Council will consider options and choose one that is safe, but also may maximise its ability to innovate, deliver strategic priorities and services, and care for the safety and wellbeing of staff, while also providing an acceptable level of reward and value for the community it serves and for local government.

The following risk tolerances have been predetermined by Council as part of the adopted Risk Appetite Statement and are relevant to the matter being considered by Council as part of this report.

Risk Category	Risk Category Description	Tolerance Rating
Health and Safety	We are committed to providing a safe workplace and physical environments for all staff, Administrators, contractors, visitors and the community	Highly Cautious
Trust & Reputation	We recognise the importance of protecting our reputation and advocating for the needs of our community and local economy. We understand that negative publicity or community reactions may occur where there are competing priorities and interests in the Community.	Cautious
Governance	We are committed to good governance and meeting legislated, regulatory and policy requirements and contractual obligations in a consistent and fair manner.	Highly Cautious
Service Delivery	We recognise there may be levels of risk involved to deliver efficiencies, enhance capabilities and provide services to our community.	Conservative
Environment	We recognise the importance of conserving and enhancing our environment and considering sustainability in all council decisions.	Cautious
Infrastructure	We are committed to continuous improvement in order to provide excellent infrastructure that provides benefits to our community.	Conservative

The recommendation, if accepted, is consistent with the agreed risk tolerance.

9. Community Engagement

Council's engagement commitment in relation to this report is INFORM on the IAP2 International Association of Public Participations (IAP2) Engagement Spectrum as embedded within Council's *Community Engagement Policy*.

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COUNCIL RESPONSE TO FIRE EVENTS - 9 JANUARY 2026 (cont'd)

10. Advisory Committees

Consultation with Advisory Committees including the Youth Council and All Abilities advisory committees has not been completed at this time. It is expected that engagement will progress with these parties through the recovery process.

11. Gender Impact Assessment

In accordance with the *Gender Equality Act 2020* any policies, programs and services that have a direct and significant impact on the public are required to undergo a Gender Impact Assessment. As this report is for information only an assessment is not required for this report.

12. Conflict of Interest Declaration

The author of this report and officers associated with its development have no conflicts of interest to declare in the matter being considered.

Attachments

Nil

FILE NO:
**A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.**

ITEM NO: 10.1
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE PERFORMANCE,
PETER CANNIZZARO)

CONTRACTS AWARDED UNDER CEO DELEGATION

Officer Recommendation

That Council note the quarterly report for contracts awarded under CEO delegation for the period 1 October 2025 – 31 December 2025.

1. Purpose

The purpose of this report is to provide transparency by detailing contracts awarded by the CEO under delegated authority for purchases between \$150,001 and \$500,000 (ex. GST).

This level of transparency is consistent with the objectives of the Procurement Policy, which aims to ensure that all procurement activities are conducted in a fair, transparent and accountable manner, while achieving value for money and supporting council's strategic objectives.

2. Background

In accordance with Council's Instrument of Delegation to the Chief Executive Officer, adopted on 27 March 2024, the CEO is authorised to award contracts up to the value of \$500,000 (ex. GST). All purchases between \$150,001 - \$500,000 (ex. GST) require CEO approval. This report details the contracts that the CEO has awarded within this threshold using their delegated authority.

The table below lists the contracts awarded under CEO delegated authority during the period 1 October 2025 – 31 December 2025.

Contract Number	Contract Title	Contract Value Ex gst	Awarded To
C024/25	CQA & GITA Inspection Services, Cobram Landfill	\$273,197.00	Sowilo Eight Pty Ltd, trading as Terra Firma Laboratories
C037/25	Provision of Debt Collection Services	\$450,000.00*	Midstate CreditCollect Pty Ltd

*Estimated expenditure over the 5-year contract term. Based on historical averages, 80-90% of costs are expected to be recovered.

Under Appendix A of the Procurement Policy, purchases between \$150,001 - \$350,000 (ex. GST) must follow an advertised request for quote process unless an eligible procurement exemption applies. Each contract was procured through a publicly advertised request for tender process.

3. Council Plan Alignment

Pillar Five Leading Organisation - A community-centered organisation focused on best practice.

4. Relevant Council Strategies, Plans and Policies

The following Council Strategies and Plans are relevant to this report:

FILE NO:
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ITEM NO: 10.1
(CHIEF FINANCIAL OFFICER, BEAU
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CONTRACTS AWARDED UNDER CEO DELEGATION (cont'd)

- [Council Plan](#)
- [Annual Budget](#)

The following Council Policies are relevant to this report:

- [Procurement Policy](#)

5. Relevant Legislation

- [Local Government Act 2020](#)

6. Financial Considerations

The financial impacts of this report are detailed below, should the recommendation be accepted by Council.

BUDGET IMPACT	No Impact (already included in approved budget)	Low Impact (less than \$20k variance to budget)	Medium Impact (between \$20k and \$100k variance to budget)	High Impact (greater than \$100k variance to budget)
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Instrument of Delegation to the Chief Executive Officer includes a delegation to award a contract for goods, services or works to \$500,000 (ex. GST), provided the costs are included in Council's approved budget.

7. Resource Considerations

The resource impacts of this report are detailed below, which provides an indication of resource hours required to implement the decision, should the recommendation be accepted by Council.

RESOURCE IMPACT	No Impact (less than 2 hours)	Low Impact (less than 20 hours)	Medium Impact (between 20 and 100 hours)	High Impact (greater than 100 hours)
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Risk Appetite

Moirā Shire Council's adopted Risk Appetite is 'Guarded'. Council will consider options and choose one that is safe, but also may maximise its ability to innovate, deliver strategic priorities and services, and care for the safety and wellbeing of staff, while also providing an acceptable level of reward and value for the community it serves and for local government.

The following risk tolerances have been predetermined by Council as part of the adopted Risk Appetite Statement and are relevant to the matter being considered by Council as part of this report.

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PETER CANNIZZARO)**

CONTRACTS AWARDED UNDER CEO DELEGATION (cont'd)

Risk Category	Risk Category Description	Tolerance Rating
Governance	We are committed to good governance and meeting legislated, regulatory and policy requirements and contractual obligations in a consistent and fair manner.	Highly Cautious

The recommendation, if accepted, is consistent with the agreed risk tolerance.

9. Community Engagement

Community Engagement is not applicable.

10. Advisory Committees

Consultation with other Advisory Committees is not applicable.

11. Gender Impact Assessment

In accordance with the *Gender Equality Act 2020* any policies, programs and services that have a direct and significant impact on the public are required to undergo a Gender Impact Assessment.

An assessment is not required for this report.

12. Conflict of Interest Declaration

The author of this report and officers associated with its development have no conflicts of interest to declare in the matter being considered.

Attachments

Nil

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
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ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE PERFORMANCE,
PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY

Officer Recommendation

That Council:

1. receives and notes the House of Representatives Standing Committee on *Regional Development, Infrastructure and Transport Terms of Reference* presented in **Attachment 1**, for its inquiry into Local Government funding and fiscal sustainability, with written submissions due by 3 February 2026; and
2. endorses Council's submission to the inquiry, as presented in **Attachment 2**, and authorises the Chief Executive Officer to lodge Council's submission with the Committee by 3 February 2026.

1. Purpose

The purpose of this report is to inform Council of a Federal Parliamentary Inquiry into Local Government funding and fiscal sustainability and seek Council's endorsement of the draft submission responding to the inquiry.

The submission utilises Moira Shire's operational experience to demonstrate the financial sustainability challenges facing regional councils and presents four key reform recommendations to address structural funding inadequacies.

Council is advocating in the interests of the community to secure a more equitable share of federal and state funding that reflects the true cost of delivering services across our extensive geographic area. By participating in this inquiry, Council seeks to influence policy reforms that will improve our long-term fiscal sustainability, ultimately enabling Council to maintain and enhance essential services that support community wellbeing, economic development, and quality of life across Moira Shire.

2. Background

Council's draft submission utilises our operational experience as a case study to demonstrate how current funding arrangements create unsustainable service delivery models, particularly for geographically dispersed councils. The submission presents evidence of a \$7.98 million cumulative revenue gap, examples of cost shifting burdens from other levels of government, and infrastructure renewal constraints that threaten long-term financial sustainability.

The parliamentary inquiry was established to examine the critical financial sustainability challenges facing Australian local government, acknowledging the expanding role of councils beyond traditional "rates, roads and rubbish" responsibilities. The inquiry recognises that local governments now manage increasing responsibilities in health, aged care, childcare services, regulatory functions, and climate adaptation without corresponding funding support.

This inquiry represents the most significant federal examination of local government funding in recent years, occurring at a time when regional councils face unprecedented financial pressures from rate capping, cost shifting, and declining federal support. This timing provides a critical

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INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

opportunity to influence Commonwealth policy that directly impacts Council's operational sustainability and service delivery capacity.

The Committee's terms of reference are presented in **Attachment 1**.

Based on Moira Shire's experience, the submission recommends four key reforms:

Committee Recommendation 1: Indexation Reform

A Local Government Cost Index (LGCI) is developed through collaborative engagement between the Commonwealth Government, State Governments, and the Local Government sectors.

The LGCI should:

- Be developed through consultation with industry peak bodies and representative councils.
- Reflect actual cost components specific to Local Government operations.
- Provide a standardised indexation benchmark for use by all levels of government when determining:
 - Rate cap parameters
 - Grant funding indexation
 - Statutory fee adjustments
 - Long-term funding agreement escalations

Committee Recommendation 2: Financial Assistance Grants Enhancement

Local government industry bodies have extensively advocated for Federal Financial Assistance Grant to be 1% of Federal taxation revenue, an objective Moira Shire Council strongly supports.

However, recognising the fiscal constraints facing all levels of government, Moira Shire Council proposes the following staged approach that will deliver meaningful immediate relief:

Proportional Funding Level Restoration

- That the Commonwealth Government increase the Federal Financial Assistance Grants allocation from the current estimated 0.52% of Federal taxation revenue in 2025/26 by an initial minimum increase of 10%, per year, for the next two financial years; and
- Index future Financial Assistance Grants increases by the proposed Local Government Cost Index rather than Consumer Price Index to ensure grants reflect Local Government cost pressures.

Allocation Model Reform:

- Continued reviews are undertaken to the allocation model at State level to ensure an equitable distribution of Federal Funding (including Financial Assistance Grants), prioritising rural councils with limited access to own-source revenue streams and greater geographic dispersion resulting in higher per-capita costs of service delivery.

Committee Recommendation 3: Cost Shifting Accountability

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INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

Recommend to Commonwealth and State Governments the implementation of mandatory Local Government Impact Statements for all new State and Federal legislation affecting local government.

Committee Recommendation 4: Shared Services Investment

The establishment of a Federal funding program for rural Council shared services hubs to improve productivity and reduce per-capita service delivery costs.

3. Council Plan Alignment

Pillar Five Leading Organisation - A community-centered organisation focused on best practice.

4. Relevant Council Strategies, Plans and Policies

The following Council Strategies and Plans are relevant to this report:

- [Council Plan](#)
- [Financial Plan](#)

5. Relevant Legislation

There is no specific legislation relevant to this report.

6. Financial Considerations

The financial impacts of this report are detailed below, should the recommendation be accepted by Council.

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This is a one-off initiative and does not impact the long-term position of Council.

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ITEM NO: 10.2
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**INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL
SUSTAINABILITY (cont'd)**

7. Resource Considerations

The resource impacts of this report are detailed below, which provides an indication of resource hours required to implement the decision, should the recommendation be accepted by Council.

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The following risk tolerances have been predetermined by Council as part of the adopted Risk Appetite Statement and are relevant to the matter being considered by Council as part of this report.

Risk Category	Risk Category Description	Tolerance Rating
Financial	We recognise that Council has a responsibility to ensure that we have sufficient resources now and into the future and that there are financial risks involved in delivering a wide range of services, programs and capital projects.	Cautious

The recommendation, if accepted, is consistent with the agreed risk tolerance.

9. Community Engagement

Community engagement is not applicable.

10. Advisory Committees

Consultation with other Advisory Committees is not applicable.

11. Gender Impact Assessment

In accordance with the *Gender Equality Act 2020* any policies, programs and services that have a direct and significant impact on the public are required to undergo a Gender Impact Assessment. An assessment is not required for this submission.

FILE NO:
**A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.**

ITEM NO: 10.2
**(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)**
**(DIRECTOR CORPORATE PERFORMANCE,
PETER CANNIZZARO)**

**INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL
SUSTAINABILITY (cont'd)**

12. Conflict of Interest Declaration

The author of this report and officers associated with its development have no conflicts of interest to declare in the matter being considered.

Attachments

- 1 House of Representatives Standing Committee - Terms of Reference
- 2 DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

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INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [1] - House of Representatives Standing Committee - Terms of
Reference

[Home Parliamentary Business Committees House of Representatives Committees
Standing Committee on Regional Development, Infrastructure and Transport Inquiry
into Local Government Funding and Fiscal Sustainability Terms of Reference](#)

Terms of Reference

The House of Representatives Standing Committee on Regional Development,
Infrastructure and Transport will inquire into and report on local government funding
and fiscal sustainability, with a particular focus on:

1. Interactions between Governments

- i. Assess the nature and scale of Australian, state and territory government
funding provided to local government, both directly and through
Commonwealth–state agreements.
- ii. Examine the legislative and policy frameworks underpinning Commonwealth
financial support to local government.

2. Identification of All Funding Sources

- i. Identify and map all sources of funding received by local government from the
Australian Government and state/territory governments, including:
 - a. Untied grants (e.g., Financial Assistance Grants).
 - b. Tied/specific-purpose grants and project-based programs, co-
contribution requirements and competitive grant processes.
 - c. Revenue sharing arrangements (e.g., stamp duty, rates capping
subsidies, GST-related disbursements where applicable).
 - d. Emergency, disaster recovery and resilience funding.
 - e. One-off or ad hoc funding streams.
- ii. Examine local government own-source revenue (such as rates, fees, charges
and commercial activities).

3. Impacts and Effectiveness

- i. Evaluate how funding arrangements, including indexation freezing, influence
the financial sustainability, service delivery capacity and infrastructure
investment of local governments.
- ii. Consider whether existing funding mechanisms are addressing the evolving
responsibilities of local governments.
- iii. Identify barriers to infrastructure service delivery, including trends in
attracting and retaining a skilled workforce, impediments to security for local
government workers and impacts of labour hire practices.



FILE NO:
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ITEM NO: 10.2
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INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [1] - House of Representatives Standing Committee - Terms of
Reference

iv. Explore opportunities to improve productivity and coordination of local
government.

4. Previous Inquiry

i. Consider evidence provided to the House of Representatives Standing
Committee on Regional Development, Infrastructure and Transport of the 47th
Parliament [Inquiry into Local Government Sustainability](#).

5. Other relevant matters

Committee Secretariat contact:

Committee Secretary
House of Representatives Standing Committee on Regional Development,
Infrastructure and Transport
PO Box 6021
Parliament House
Canberra ACT 2600

Phone: [+61 2 6277 2232](tel:+61262772232)

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About this inquiry

The inquiry will examine the financial relationship between local government and
other levels of government in Australia, with a particular emphasis on funding
mechanisms and fiscal sustainability.

- [Inquiry home page](#)
- [Terms of Reference](#)
- [Submissions](#)
- [Media Releases](#)
- [Government Response](#)
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FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
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INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [1] - House of Representatives Standing Committee - Terms of
Reference

- [View All Submissions \(4\)](#)

How to make a submission

The committee invites individuals and organisations to send in their opinions and proposals in writing (submissions)

- [Preparing a submission to an inquiry](#)

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[Top](#)



FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

28/01/2026

Mrs. Fiona Phillips MP, Chair
House of Representatives Standing Committee on
Regional Development, Infrastructure and Transport
PO Box 6021
Parliament House, Canberra ACT, 2600

[Click here to enter text.](#)



Dear Committee Chair

Inquiry into Local Government Funding and Fiscal Sustainability

I write on behalf of Moira Shire Council (Moira Shire) to provide our submission to the Committee's inquiry into local government funding and fiscal sustainability, specifically addressing Section 3 of the Terms of Reference regarding impacts and effectiveness.

As Chair Administrator of Moira Shire, I wish to highlight the critical financial sustainability challenges facing rural and regional councils, using our experience as a case study that reflects broader systemic issues affecting local government across Australia.

Background - Moira Shire Context

Moira Shire spans 4,045 square kilometres in northern Victoria, bounded by the Murray, Goulburn, and Ovens rivers, serving 30,522 residents across four main town centres and 22 smaller communities. Our infrastructure includes 3,655 kilometres of roads, 203 kilometres of footpaths, and 310 kilometres of kerb and channel across 18,380 rateable properties.

This extensive geographic footprint creates unique service delivery challenges, requiring multiple distributed locations to ensure reasonable community access. Unlike metropolitan councils that benefit from concentrated populations, Moira Shire must maintain identical service standards across numerous dispersed communities while operating multiple facilities and service points, resulting in higher per-capita costs and reduced operational efficiencies. Council delivers the following key services to the community, funded through the budgeted income streams as outlined in Figure 1:

Infrastructure and Asset Management

- Roads and bridges maintenance and construction
- Drainage systems and stormwater management
- Parks and gardens maintenance (123 parks)
- Street cleaning and waste collection
- Civic buildings maintenance (690 buildings and structures)
- Recreation facilities management (80 playgrounds, sports centres, recreation reserves)
- Swimming pools operations (5 outdoor and 1 indoor aquatic facility)

- Aerodrome operations (Yarrawonga Aerodrome)

Community Services

- Maternal and Child Health services
- Library services (through Goulburn Valley Regional Library Corporation)
- Youth services and programs
- Community events and festivals
- Arts and culture programs (Creative Arts Hubs)
- Community grants programs
- Emergency management and disaster response
- School crossing supervision

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal
Sustainability Inquiry Submission

Regulatory and Statutory Services

- Planning and development assessment
- Building control and permits
- Local laws enforcement
- Animal control and registration
- Environmental health services
- Fire prevention services

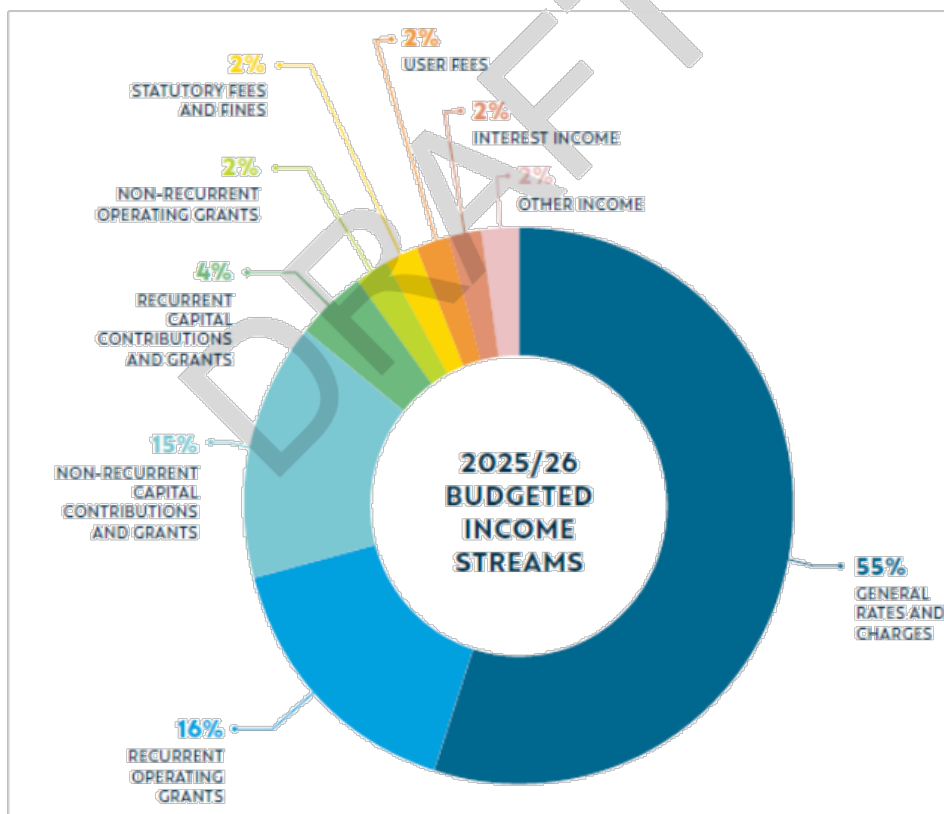
Waste and Environmental Services

- Kerbside waste collection (landfill, recycling, organics, glass)
- Landfill and transfer station operations
- Environmental sustainability programs
- Natural resources management

Economic Development and Tourism

- Business support and development services
- Tourism promotion and visitor services
- Economic development initiatives

Figure 1: composition of budgeted income sources for the 2025/26 financial year (expressed as percentages).



FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
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PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

Interactions between Governments

External grant funding plays a vital role in supporting Moira Shire Council's service delivery, with \$32.1 million in grant funding budgeted for the 2025/26 financial year. The Commonwealth Government provides most of this support (84%), while State Government contributes 16%. Of particular importance is the \$19.8 million in recurrent funding programs, which provide the predictable revenue base essential for ongoing council operations and are drawn from the following sources:

Level of Government	Funding Program	Annual Funding (000s)
Commonwealth	Financial Assistance Grants	\$14,735
Commonwealth	Roads to Recovery	\$4,072
State	Municipal Emergency Resourcing	\$60
State	Material Child & Health	\$654
State	Immunisation	\$22
State	Tabacco Enforcement	\$7
State	Mosquito Control Program	\$35
State	Youth Services	\$42
State	Roadside Weeds & Pests Management	\$85
State	School Crossing Supervision	\$78

Response to Terms of Reference

Section 3: Impacts and Effectiveness

i. Impact of Funding Arrangements and Indexation Freezing on Financial Sustainability

External Indexation Risk

Moira Shire Council faces significant exposure to macroeconomic inflationary pressures where externally indexed revenue sources do not match actual cost escalations. Approximately 61% of Council's total income is derived from revenue streams where indexation rates are determined by external stakeholders, including:

- General rates (subject to the Victorian Government's rate cap).
- Commonwealth Financial Assistance Grants.
- Statutory fees and fines (set by State legislation).
- Recurrent capital funding (including Roads to Recovery program).

When actual revenue indexation does not match cost escalations, this creates substantial financial risk for Council operations. When indexation rates set by other levels of government fail to reflect actual cost escalations experienced by local government, an income (or funding gap) emerges that directly impacts service delivery capacity and infrastructure maintenance.

This risk materialised significantly during the 2020/21 to 2023/24 period when COVID-19 economic impacts drove substantial cost increases across the local government sector. During this period, the Victorian Local Government rate cap consistently fell below actual cost escalations experienced by Council, creating a widening gap between revenue capacity and operational requirements.

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

The cumulative effect of this indexation mismatch has created a compounding financial sustainability challenge for Moira Shire Council. Our analysis estimates that over the four-year period from 2020/21 to 2023/24, Council has foregone approximately \$7.98 million in revenue due to rate cap increases consistently tracking below both Consumer Price Index and Construction Price Index movements.

Figure 1 - illustrates the income gap, showing how supplier costs have risen in accordance with relevant economic indices while Council's revenue generation capacity has been artificially constrained by external indexation decisions. This represents a fundamental structural mismatch between the cost escalation environment in which local government operates and the revenue tools available to meet these increasing costs.



Rate Capping System Impact on Service Sustainability

The Victorian Government's Fair Go Rates System was implemented with the objective of maintaining rate affordability for local communities. However, in practice, this system has created operational challenges for sustainable local government service delivery.

The fundamental issue lies in the misalignment between the rate cap methodology—which primarily relies on Consumer Price Index forecasts—and the actual cost escalations experienced by the local government sector.

Local government operations are characterised by distinct cost drivers that differ significantly from general consumer prices, including:

- Infrastructure construction and maintenance costs.
- Specialised equipment and materials.
- Professional services.
- Compliance requirements.
- Emergency response and disaster recovery expenses.

FILE NO:
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ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
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PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

The current rate cap methodology fails to adequately account for these sector-specific cost pressures, creating a structural disconnect between revenue capacity and operational requirements.

Committee Recommendation 1

That the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport recommends to the Commonwealth Government the development of a Local Government Cost Index (LGCI) through collaborative engagement between the Commonwealth Government, State Governments, and the Local Government sectors.

The LGCI should:

- Be developed through consultation with industry peak bodies and representative councils.
- Reflect actual cost components specific to Local Government operations.
- Provide a standardised indexation benchmark for use by all levels of government when determining:
 - Rate cap parameters
 - Grant funding indexation
 - Statutory fee adjustments
 - Long-term funding agreement escalations

The establishment of such an index tailored to individual states and territories would ensure that funding mechanisms align with the real cost environment in which local governments operate, supporting sustainable service delivery while maintaining appropriate accountability for public expenditure.

ii. Service Delivery Capacity and Infrastructure Investment

Pressures on Service Delivery Model

Council's current service delivery model is facing significant challenges under existing funding arrangements, with financial projections indicating that maintaining current service levels will progressively erode the organisation's financial viability.

Moira Shire's Financial Plan 2025-2035 projects prolonged underlying deficits commencing in 2026/27 and continuing throughout the ten-year planning period, demonstrating that existing service delivery approaches cannot be maintained without compromising long-term financial sustainability.

The projected underlying deficits necessitate immediate intervention through comprehensive service reviews to restore financial sustainability. These reviews must assess not only whether services meet community expectations, but critically, whether they can be delivered through financially sustainable funding models.

Local Governments must re-examine their role in service delivery, potentially transitioning from direct service provider to facilitator or discontinuing services where sustainable funding models cannot be identified.

Geographic Service Delivery Cost Burden

Council's service delivery capacity is fundamentally constrained by the geographic reality of serving 30,522 residents across 4,045 square kilometres through multiple service locations.

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

This geographic dispersion resulted in operating expenditure of \$3,256 per property assessment for the 2023/24 financial year—higher than 8 out of 10 comparable councils as illustrated in **Appendix A**.

This cost impost reflects the inherent inefficiencies of delivering the same range of statutory services across vast distances to small, dispersed communities, where economies of scale cannot be achieved due to low population density and the need to maintain service presence across multiple townships.

Community Impact and Service Equity

The community impact of these geographic realities is both financial and practical. Ratepayers effectively subsidise higher per-capita service delivery costs compared to metropolitan residents, while simultaneously experiencing reduced service accessibility through longer travel distances to council facilities, less frequent service delivery, and potential quality variations.

Where metropolitan councils achieve operational efficiencies through concentrated populations, Moira Shire faces the inverse challenge of service delivery diseconomies. Despite maintaining identical statutory obligations across a geographic footprint larger than most Melbourne metropolitan areas, we operate with only a fraction of their population base to fund these essential services. This creates a fundamental inequity where rural residents pay premium rates for reduced convenience in accessing local government services.

Workforce Capacity Constraints

The revenue-constrained environment fundamentally limits Council's ability to offer competitive remuneration packages, directly impacting workforce attraction and retention in critical service areas. With employee cost increases constrained by the rate cap framework, Council cannot compete with private sector remuneration or larger neighbouring councils for specialist roles, including:

- Engineers
- Town planners
- Project managers
- Accounting professionals
- Human resource professionals
- Information technology experts
- Governance professionals.

This competitive disadvantage extends across all professional areas where larger councils can offer superior remuneration packages and career advancement opportunities that smaller rural councils cannot match under current funding constraints.

This capacity constraint is demonstrated in Moira Shire's 2024-25 Annual Report, through a decline in its statutory planning performance metrics. Ongoing staff vacancies have led to a 53% increase in processing times for statutory planning permits, rising from 51 to 78 days. The inability to attract and retain qualified planning professionals directly compromises Council's capacity to support economic development and manage growth, creating a cycle where service delivery failures further impact the economic base that generates revenue to fund improved services.

This workforce capacity crisis extends beyond individual service areas to represent a systematic erosion of Council's organisational capability to deliver complex services that require professional expertise, ultimately constraining the entire organisation's capacity to meet community needs and statutory obligations.

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

Constrained Infrastructure Investment

Moira Shire's Financial Plan projects that asset renewal ratios will consistently perform at the lower end of the acceptable target range (70-120%) due to inadequate funding for renewal works. Asset renewal demands are projected to average approximately 17% of annual income over the next decade, yet only 42% of this requirement is funded through recurrent capital income sources. The remaining 58% of renewal funding must be sourced from general rates, which are subject to rate cap limitations and risk being indexed below construction price escalations.

This creates a compounding income gap where Council can progressively afford less infrastructure renewal over time, as construction costs escalate at rates exceeding revenue growth capacity. The cumulative effect is an accelerating deterioration of infrastructure condition that will progressively constrain service delivery capacity as roads, drainage systems, and community facilities become unreliable or unsafe for community use.

iii. Barriers to Infrastructure and Service Delivery

Revenue Diversification Limitations

Moira Shire faces challenges in its ability to generate new streams of own-sourced revenue and is therefore financially dependent on recurrent external funding sources, such as the Financial Assistance Grants, to sustain the current level of operations. Financial Assistance Grants makes up 15% of Council's total budgeted income for the 2025/26 financial year.

The key financial sustainability challenges faced by Moira Shire are considered through Council's recently adopted Revenue and Rating Plan, these include:

- Rate capping constrains Council's ability to increase its general rate revenue to cover the cost-of-service delivery.
- General rates and charges make up 55% of Council's budgeted 2025/26 revenue, therefore, Council is heavily dependent on a source of income that is partially capped.
- Council currently has limited revenue generation options or commercial operations to raise revenue outside of general rates and charges.
- Users of council facilities expect to pay minimal or heavily subsidised user access fees.
- Community expectations of Council to deliver high-quality services and infrastructure places pressure on Council's limited resources.
- Increasing government taxes on property owners, such as the Emergency Services and Volunteer Fund Levy, exponentially increase the taxation burden on properties.
- Cost shifting of services from Federal or State Government onto local government, without sufficient funding to support ongoing service delivery.

Despite these challenges, Moira Shire ranks 18th among Victorian Local Government Financial Assistance Grants recipients, receiving \$14.68 million in 2025/26 (\$9.4 million in General Purpose Grants and \$5.28 million in Local Roads Grants), representing 25.54% of our own-source income. Councils that ranked higher due to receiving a larger portion of this funding, in most cases, have an ability to generate diversified own-source revenue streams and are therefore not financially dependent (to the same degree) on this funding to support their current level of operations.

A prime example of this revenue diversification disparity is car parking revenue, which represents a substantial own-source income stream for metropolitan councils through paid parking meters, permits, and enforcement activities. This revenue source is simply not feasible for rural councils like Moira Shire, where lower population density, abundant free

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

parking availability, and different travel patterns mean there is insufficient demand to generate meaningful parking revenue.

Appendix B illustrates the level of economic dependence on the Financial Assistance Grants for the Top 10 recipients of the Grant, comparing against Moira Shire. What this analysis shows is that despite having received none of the Financial Assistance Grant funding during the 2023/24 financial year, 6 of the top 10 funding recipients were able to sustain a positive underlying result. Moira Shire, however, was heavily impacted, having reported an underlying deficit of 26% for the same reporting period.

Cost Shifting Impact

Cost shifting from other levels of government to local councils is a significant barrier to effective infrastructure and service delivery in rural Victoria, particularly where external funding to support the service erodes overtime. The impacts of this occurrence on local government have been extensively documented and researched by industry bodies, revealing a consistent pattern of structural funding deficits that progressively erode councils' capacity to maintain service standards while simultaneously expanding service obligations without corresponding revenue support.

Examples of cost shifting to Victorian councils highlighted in literature include libraries, school crossing supervision, maternal and child health services, and maintenance of State assets, alongside numerous other service areas where responsibility has been transferred without adequate funding. A prime example of cost shifting experienced by Moira Shire Council is in the context library services, where State Government funding for the 2024/25 financial year supported only 23% of Goulburn Valley Regional Library Corporation's operating costs, with 74% being funded by member Councils.

Initially, library services were established under an equitable 50/50 funding arrangement between State and Local governments, recognising libraries as a shared community responsibility. However, this partnership has eroded over decades as State Government funding failed to keep pace with operational costs, effectively transferring an increasing financial burden to local ratepayers.

The significance of this cost shift is formally acknowledged in the Legislative Council Economy and Infrastructure Committee's Local Government Funding and Services Inquiry report (November 2024), which explicitly recommended that the Victorian Government restore the original 50/50 shared funding agreement with local councils for public library operations, recognising the inequity that has developed.

Rural councils face amplified barriers from cost shifting due to lower population density and geographic dispersion. The same service obligations must be delivered across larger geographic areas with fewer rateable properties to share the cost burden.

The Victorian Auditor-General's 2025 report on Financial Management of Local Councils acknowledges this disparity, noting that some councils, particularly in the small shire cohort, face increasing risks of being unable to meet future obligations without significant policy changes. The geographic reality of service delivery costs being higher than metropolitan equivalents, combined with identical rate cap constraints, creates a structural disadvantage that acts as a persistent barrier to effective service delivery.

The introduction of mandatory local government impact statements for all State policy decisions would provide a critical mechanism to prevent future cost shifting and ensure transparent assessment of financial impacts on councils and ratepayers. Such statements would require State Government to quantify and publicly disclose the financial implications of

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

legislative changes, service transfers, or regulatory requirements before implementation. This would create accountability for funding decisions, ensure adequate resources accompany new responsibilities, and provide councils with evidence-based information to participate meaningfully in policy development processes. Impact statements would also enable better long-term financial planning by councils and create transparency for communities about the actual cost of government decisions.

Infrastructure Investment Constrained by Proportional Federal Funding Decline

The systematic reduction in Federal Financial Assistance Grants as a proportion of Federal taxation revenue represents a compounding barrier to infrastructure investment. Federal Financial Assistance Grants have declined from 1% of taxation revenue in 1996 to an estimated 0.52% today, representing a 48% reduction in relative funding compared to three decades ago.

For councils like Moira Shire, where Federal Financial Assistance Grants comprise 22% of recurrent operating income, this decline translates to millions of dollars in lost infrastructure investment capacity. The Victorian Auditor-General's 2025 report confirms that councils are achieving only 73% of required asset renewal ratios, with infrastructure deteriorating faster than it can be renewed—a result largely driven by inadequate baseline funding for infrastructure investment.

Committee Recommendation 2

That the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport recommend to the Commonwealth Government comprehensive reform of the Federal Financial Assistance Grants program to restore adequate baseline funding for local government infrastructure and service delivery capacity.

This reform should include:

Funding Level Restoration

Local government industry bodies have extensively advocated for Federal Financial Assistance Grants to be 1% of Federal taxation revenue, an objective Moira Shire Council strongly supports.

However, recognising the fiscal constraints facing all levels of government, Moira Shire Council proposes the following staged approach that will deliver meaningful immediate relief:

- That the Commonwealth Government increase the Federal Financial Assistance Grants allocation from the current estimated 0.52% of Federal taxation revenue in 2025/26 by an initial minimum increase of 10%, per year, for the next two financial years; and
- Index future Financial Assistance Grants increases by the proposed Local Government Cost Index rather than Consumer Price Index to ensure grants reflect Local Government cost pressures.

Allocation Model Reform:

- Continued reviews are undertaken to the allocation model at State level to ensure an equitable distribution of Federal Funding (including Financial Assistance Grants), prioritising rural councils with limited access to own-source revenue streams and greater geographic dispersion resulting in higher per-capita costs of service delivery.

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

Committee Recommendation 3

That the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport recommend to Commonwealth and State Governments the implementation of mandatory Local Government Impact Statements for all new State and Federal legislation affecting local government.

iv. Opportunities to Improve Productivity and Coordination

Shared Services Hub

To address productivity and coordination challenges, Council strongly advocates for the establishment of rural shared services hubs that can centralise local government services that are broadly consistent across councils, including:

- **Policy Development:** Standardised policy frameworks that can be adapted locally while maintaining consistency in areas such as procurement, human resources, and regulatory compliance.
- **Software Implementation:** Coordinated technology solutions including enterprise resource planning systems, asset management platforms, records management and digital service delivery tools.
- **Artificial Intelligence Systems:** Shared AI capabilities for data analysis, predictive maintenance, customer service automation, and decision support systems.
- **Specialist Services:** Shared access to engineering, legal, planning, and financial expertise that individual councils cannot efficiently maintain in-house.

This approach would:

- Reduce per-council costs through economies of scale.
- Improve service quality through specialisation.
- Enable smaller councils to access expertise otherwise unavailable.
- Standardise processes while maintaining local decision-making autonomy.

Committee Recommendation 4

That the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport recommend to the Commonwealth Government the establishment of a Federal funding program for rural Council shared services hubs to improve productivity and reduce per-capita service delivery costs.

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY (cont'd)

ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal Sustainability Inquiry Submission

Submission recommendations

As outlined in this submission, Council is recommending that the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport considers the following recommendations to address the fiscal sustainability and service delivery challenges facing the local government sector:

Committee Recommendation 1: Indexation Reform

A Local Government Cost Index (LGCI) is developed through collaborative engagement between the Commonwealth Government, State Governments, and the Local Government sectors.

The LGCI should:

- Be developed through consultation with industry peak bodies and representative councils.
- Reflect actual cost components specific to Local Government operations.
- Provide a standardised indexation benchmark for use by all levels of government when determining:
 - Rate cap parameters
 - Grant funding indexation
 - Statutory fee adjustments
 - Long-term funding agreement escalations

Committee Recommendation 2: Financial Assistance Grants Enhancement

Comprehensive reform of the Federal Financial Assistance Grants program to restore adequate baseline funding for local government infrastructure and service delivery capacity, including:

Proportional Funding Level Restoration

- That the Commonwealth Government increase the Federal Financial Assistance Grants allocation from the current estimated 0.52% of Federal taxation revenue in 2025/26 by an initial minimum increase of 10%, per year, for the next two financial years; and
- Index future Financial Assistance Grants increases by the proposed Local Government Cost Index rather than Consumer Price Index to ensure grants reflect Local Government cost pressures.

Allocation Model Reform:

- Continued reviews are undertaken to the allocation model at State level to ensure an equitable distribution of Federal Funding (including Financial Assistance Grants), prioritising rural councils with limited access to own-source revenue streams and greater geographic dispersion resulting in higher per-capita costs of service delivery.

Committee Recommendation 3: Cost Shifting Accountability

Recommend to Commonwealth and State Governments the implementation of mandatory Local Government Impact Statements for all new State and Federal legislation affecting local government.

FILE NO:
A COMMUNITY-CENTERED ORGANISATION
FOCUSED ON BEST PRACTICE.

ITEM NO: 10.2
(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
(DIRECTOR CORPORATE
PERFORMANCE, PETER CANNIZZARO)

**INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL
SUSTAINABILITY (cont'd)**

**ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal
Sustainability Inquiry Submission**

Committee Recommendation 4: Shared Services Investment

The establishment of a Federal funding program for rural Council shared services hubs to improve productivity and reduce per-capita service delivery costs.

Summary

The current local government funding framework creates an unsustainable financial trajectory for rural councils across Australia. The evidence presented demonstrates how external indexation controls that do not reflect true local government cost escalations, proportional declines in Federal assistance, cost shifting, and geographic service delivery diseconomies converge to systematically erode councils' capacity to meet community needs.

Without comprehensive reform addressing these structural inadequacies, councils like Moira Shire face inevitable decline in service quality and infrastructure condition, ultimately impacting community liveability, economic development potential, and the fundamental viability of regional Australia.

The Committee's inquiry represents a pivotal opportunity to restore the fiscal balance necessary for local government to continue serving as the level of government closest to the people, delivering essential services that enable community prosperity and sustainable regional growth.

We welcome the opportunity to provide further information or appear before the Committee to discuss these matters in detail.

Yours sincerely,

Dr Graeme Emonson PSM

Chair Administrator
Moira Shire Council

Note: This submission has been developed with AI assistance and Council has reviewed and verified this content for accuracy.

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**INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL
SUSTAINABILITY (cont'd)**
ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal
Sustainability Inquiry Submission



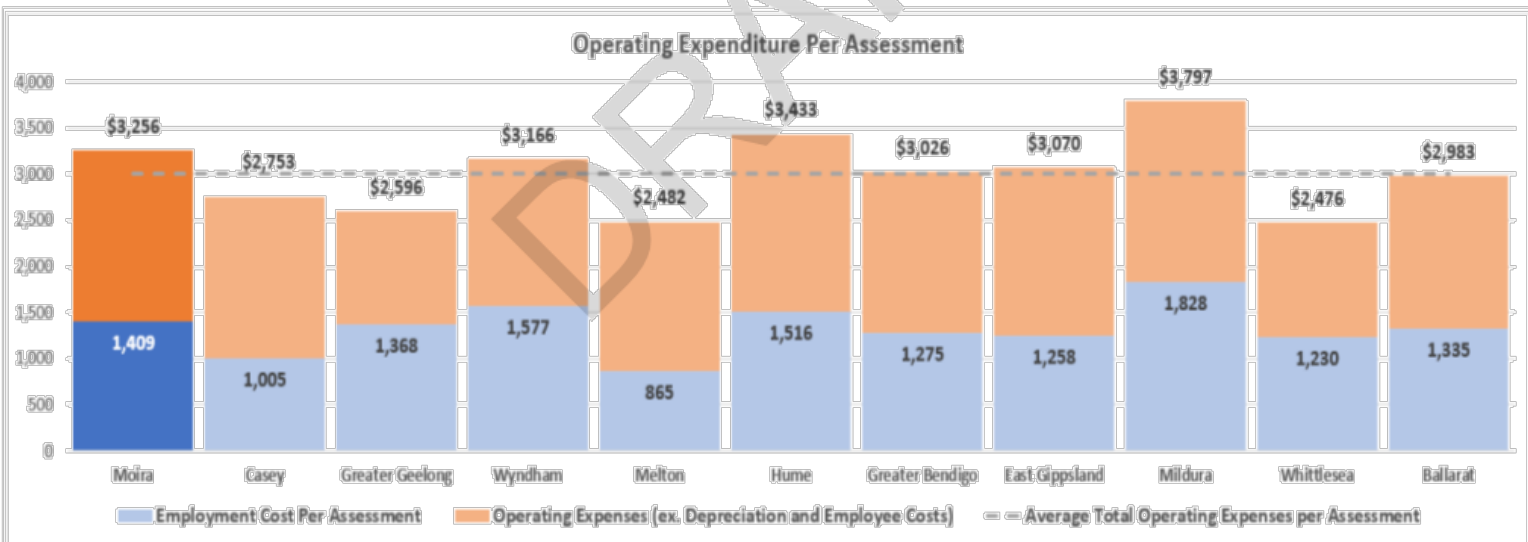
Appendices

Appendix A

This analysis of operating expenditure per assessment demonstrates the cost burden faced by geographically dispersed councils compared to their metropolitan and regional counterparts. Moira Shire Council's total operating expenditure of \$3,256 per property assessment reflects the cost impost associated with service delivery across large geographic areas with dispersed populations.

The data reveals significant variation in operating costs across Victorian councils, with Moira Shire positioned in the upper range of expenditure per assessment. Notably, while some metropolitan councils like Whittlesea achieve lower per-assessment costs (\$2,476) due to population density advantages, other growth councils such as Wyndham (\$3,166) and larger regional centres like Greater Bendigo (\$3,026) face similar cost pressures.

The employment cost component of \$1,409 per assessment for Moira Shire represents a substantial portion of total operating costs, highlighting the workforce intensity required to deliver services across multiple townships and service locations. This employment cost per assessment exceeds many comparable councils, reflecting both the geographic service delivery challenge and the difficulty in achieving workforce economies of scale in rural settings.



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INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL
SUSTAINABILITY (cont'd)

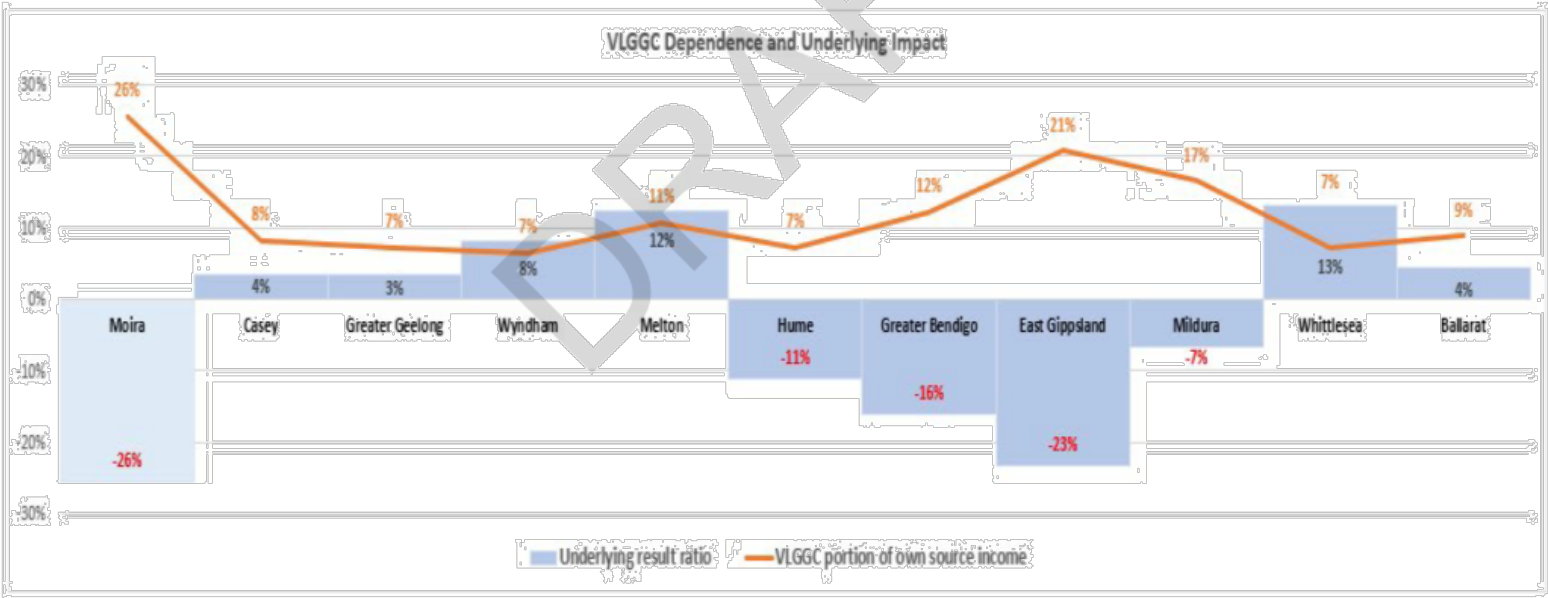
ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal
Sustainability Inquiry Submission

Appendix B

This analysis demonstrates the critical relationship between Victorian Local Government Grants Commission (VLGGC) funding dependence and financial performance when Financial Assistance Grants were not paid during the 2023/24 financial year. The comparison reveals stark differences in financial resilience between councils with varying levels of grant dependency.

Moira Shire Council experienced the most severe financial impact, recording an underlying result ratio of -26%, significantly worse than comparable councils. The data reveals that councils with diversified revenue bases and lower proportional dependence on Financial Assistance Grants were better positioned to absorb the funding disruption. Metropolitan and interface councils such as Casey, Wyndham, and Whittlesea maintained positive underlying results, demonstrating their capacity to generate sufficient own-source revenue to sustain operations even without grant funding.

This analysis highlights the critical importance of Financial Assistance Grants for rural council sustainability and demonstrates how funding interruptions disproportionately impact councils serving rural and regional communities.



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FOCUSED ON BEST PRACTICE.**

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(CHIEF FINANCIAL OFFICER, BEAU
MITTNER)
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**INQUIRY SUBMISSION - LOCAL GOVERNMENT FUNDING AND FISCAL
SUSTAINABILITY (cont'd)**

**ATTACHMENT No [2] - DRAFT - Local Government Funding and Fiscal
Sustainability Inquiry Submission**

FILE NO:

ITEM NO: 11.1
(MANAGER INFRASTRUCTURE PLANNING
AND DELIVERY, THOMAS LYLE)
(DIRECTOR INFRASTRUCTURE, RACHAEL
GADD)

**C034/25 - DISASTER RECOVERY FUNDING AGREEMENT (DRFA)
RECONSTRUCTION OF ESSENTIAL PUBLIC ASSETS (REPA) – AGRN 1037 –
TREATMENTS ST5, ST11 AND ST12**

Recommendation

That Council:

1. awards contract C034/25 - Disaster Recovery Funding Agreement (DRFA) Reconstruction of Essential Public Assets (REPA) – AGRN 1037 – Treatments ST5, ST11 and ST12 to Marchese Excavations & Bin Hire Pty Ltd atf Marchese Excavations & Bin Hire Trust for the Lump Sum amounts of:
Part A – \$709,161.00 ex GST; and
Part B – \$281,349.50 ex GST
2. authorises the Chief Executive Officer to sign the contract documents.

1. Purpose

The purpose of this report is for Council to consider awarding tender C034/25 for the Disaster Recovery Funding Agreement (DRFA) Reconstruction of Essential Public Assets (REPA) – AGRN 1037 – Treatments ST5, ST11 and ST12.

This funding agreement relates to the October 2022 flood event and is wholly supported by through the agreement above.

The report recommends the tender submission from Marchese Excavations & Bin Hire Pty Ltd atf Marchese Excavations & Bin Hire Trust for Contract C034/25 - Disaster Recovery Funding Agreement (DRFA) Reconstruction of Essential Public Assets (REPA) – AGRN 1037 – Treatments ST5, ST11 and ST12 be accepted by Council

Pursuant to the Instrument of Delegation to the Chief Executive Officer, the value of this contract exceeds the financial limit, and a Council motion is now required to accept the recommendation to award the contract.

FILE NO:

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**C034/25 - DISASTER RECOVERY FUNDING AGREEMENT (DRFA)
RECONSTRUCTION OF ESSENTIAL PUBLIC ASSETS (REPA) – AGRN 1037 –
TREATMENTS ST5, ST11 AND ST12 (cont'd)**

2. Background

Council secured DRFA funding to remediate and rectify approved community assets that were damaged or impacted by the October 2022 flood event. This funding covers 100% of the costs associated with delivering the approved works.

As a result of this funding Council invited public tenders from suitably qualified and experienced individuals or organisations to undertake the treatment works as described in the tender documents inclusive of the Victorian Government Treatment Guidelines which describes the scope of each of the treatment works applicable to this project.

3. The Tender process involved dividing the Moira Shire into packages (zones) and the contract into aligned Separable Portions. Separable portion Part A relates to packages located in the western portion of the shire. Part B includes central and Eastern packages. It was determined that by dividing the works Council would attract more tenderers local to the packages involved **Council Plan Alignment**

Pillar Five Leading Organisation - A community-centered organisation focused on best practice.

4. Relevant Council Strategies, Plans and Policies

The following Council Strategies and Plans are relevant to this report:

- [Council Plan](#)
- [Annual Budget](#)
- [Financial Plan](#)
- [Asset Plan](#)
- [Road Management Plan](#)

The following Council Policies are relevant to this report:

- [Asset Management Policy](#)
- [Procurement Policy](#)

5. Relevant Legislation

- [Local Government Act 2020](#)
- [Local Government \(Moira Shire Council\) Act 2023](#)

FILE NO:

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**C034/25 - DISASTER RECOVERY FUNDING AGREEMENT (DRFA)
RECONSTRUCTION OF ESSENTIAL PUBLIC ASSETS (REPA) – AGRN 1037 –
TREATMENTS ST5, ST11 AND ST12 (cont'd)**

6. Procurement Summary

6.1 Tender Details

- 6.1.1 The contract is a Lump Sum contract.
- 6.1.2 The contract will be delivered in accordance with a bespoke AS4000-1997 Contract.
- 6.1.3 A Request for Tender was released on 1 November 2025 and closed on 28 November 2025.
- 6.1.4 This resulted in 8 suppliers submitting a formal response. Submissions were received from:
- Extons Pty Ltd
 - Hoop's Tippers & Grading Pty Ltd
 - Lawrence Brothers Quarries Pty Ltd
 - Marchese Excavations & Bin Hire Pty Ltd ATF Marchese Excavations & Bin Hire Trust
 - Murray Valley Sand & Civil Pty Ltd (DEC)
 - Northern Grader Hire P/L, The Trustee for AAEBT Trust t/a NGH Earthmoving
 - O'Loughlin Excavations Pty Ltd
 - Quarrell Civil Construction Pty Ltd

6.2 Non-conforming tenders

1 submission was deemed non-conforming. Further details are available in the confidential documents.

FILE NO:

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RECONSTRUCTION OF ESSENTIAL PUBLIC ASSETS (REPA) – AGRN 1037 –
TREATMENTS ST5, ST11 AND ST12 (cont'd)**

6.3 Evaluation Criteria

Mandatory Compliance Criteria	Weighting
Compliance with Tender	Pass / Fail
Insurance	Pass / Fail
Occupational Health and Safety	Pass / Fail
Weighted Evaluation Criteria	Weighting
Price	40%
Skills and Experience	20%
Timeframes and Methodology	25%
Demonstrated Sustained Value	5%
Contribution to Local Economy	10%
TOTAL	100.00%

and weightings were used to evaluate conforming submissions.

6.4 Tender Evaluation Process

- 6.4.1 The Procurement Coordinator facilitated the tender process and moderated the evaluation.
- 6.4.2 The Procurement Coordinator completed a compliance check against the mandatory compliance criteria for all submissions received.
- 6.4.3 Only compliant tenders advanced to the evaluation stage, while those identified as non-compliant were excluded from further evaluation. Any instances of non-compliance are explained in the confidential attachment.
- 6.4.4 A moderation meeting was held, and the evaluation panel members were consulted to address any discrepancies in scores and confirm that the final decision was based on objective and transparent criteria. As a result, the integrity of the procurement process was upheld, and the most suitable tenderer was selected.

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RECONSTRUCTION OF ESSENTIAL PUBLIC ASSETS (REPA) – AGRN 1037 –
TREATMENTS ST5, ST11 AND ST12 (cont'd)**

6.5 Tender Evaluation Panel

6.5.1 The tender evaluation panel (TEP) consisted of:

6.6

Officer	Directorate	Role
Project Manager	Infrastructure	Chairperson, Scoring Member
Assistant Coordinator Project Delivery	Infrastructure	Scoring Member
Assistant Coordinator Works and Services	Infrastructure	Scoring Member
Procurement Coordinator	Finance	Moderator

Annex 1 of Request for Tender

The Evaluation Panel applied the scoring guidelines outlined in the procurement plan for Contract C034/25 – Disaster Recovery Funding Agreement (DRFA) Reconstruction of Essential Public Assets (REPA) – AGRN 1037 – Treatments ST5, ST11 and ST12. The evaluation included a thorough review of the seven (7) conforming tenders, and scores were moderated during an Evaluation Panel meeting held 18 December 2025. The Evaluation Panel reviewed the moderated scores and made the following determinations:

1. All conforming tenderers were evaluated as having submitted quality submissions and were deemed suitable to undertake the works under contract.
2. Evaluation panel integrated each submission into a project financial model to assess feasibility and alignment with budget constraints. Conforming submissions were evaluated as achieving a financial outcome within the limits of the funding.
3. Submissions were evaluated and ranked based on the evaluation criteria outlined in the tender documents including but not limited to best value principles.
4. From the above, a shortlist of tenderers was determined.
5. Referee checks, and financial checks were undertaken on the shortlisted tenderers.
6. A preferred tenderer, Marchese Excavations & Bin Hire Pty Ltd, was identified based on these evaluation parameters and process detailed.
7. A comprehensive financial assessment was conducted on the preferred supplier and found to be satisfactory.

FILE NO:

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TREATMENTS ST5, ST11 AND ST12 (cont'd)**

7. Conflict of Interest Declaration

- 7.1 The process described in this report is in accordance with Council's Procurement Policy, the relevant provision of the Local Government Act 2020 – section 108 (Procurement Policy) and section 109 (Procurement).
- 7.2 This report has been prepared on behalf of the officers of the Tender Evaluation Panel and all officers have declared that they have no actual or perceived conflict of interest present in evaluating the tender submissions and in determining the recommendations contained in this report.

8. Financial Considerations

The project falls under the DRFA funding agreement. The project is wholly funded under the agreement

Financial impacts of this report are detailed below, should the recommendation be accepted by Council.

8.1 Project Funding

- 8.1.1 Sufficient funding for this contract is available in the 2025/26 capital works program.
- 8.1.2 Further financial assessment is in the attached confidential reports.
- 8.1.3 Budget impact:

No Impact (already included in approved budget)	Low Impact (less than \$20k variance to budget)	Medium Impact (between \$20k and \$100k variance to budget)	High Impact (greater than \$100k variance to budget)
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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TREATMENTS ST5, ST11 AND ST12 (cont'd)**

9. Risk Appetite

Moirā Shire Council's adopted Risk Appetite is 'Guarded'. Council will consider options and choose one that is safe, but also may maximise its ability to innovate, deliver strategic priorities and services, and care for the safety and wellbeing of staff, while also providing an acceptable level of reward and value for the community it serves and for local government.

The following risk tolerances have been predetermined by Council as part of the adopted Risk Appetite Statement and are relevant to the matter being considered by Council as part of this report.

Risk Category	Risk Category Description	Tolerance Rating
Health and Safety	We are committed to providing a safe workplace and physical environments for all staff, Administrators, contractors, visitors and the community	Highly Cautious
Trust & Reputation	We recognise the importance of protecting our reputation and advocating for the needs of our community and local economy. We understand that negative publicity or community reactions may occur where there is competing priorities and interests in the Community.	Cautious
Financial	We recognise that Council has a responsibility to ensure that we have sufficient resources now and into the future and that there are financial risks involved in delivering a wide range of services, programs and capital projects.	Cautious
Service Delivery	We recognise there may be levels of risk involved in delivering efficiencies, enhancing capabilities and providing services to our community	Conservative
Infrastructure	We are committed to continuous improvement in order to provide excellent infrastructure that provides benefits to our community.	Conservative

The recommendation, if accepted, is consistent with the agreed risk tolerance.

10. Conclusion

After consideration of budget and specification requirements the evaluation panel recommends contract C034/25 - DRFA AGRN 1037 – Treatments ST5, ST11 and ST12 be awarded to Marchese Excavations & Bin Hire Pty Ltd atf Marchese Excavations & Bin Hire Trust for Part A and Part B.

The recommended tenderer, having submitted a competitive, conforming submission has been determined to be best value.

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RECONSTRUCTION OF ESSENTIAL PUBLIC ASSETS (REPA) – AGRN 1037 –
TREATMENTS ST5, ST11 AND ST12 (cont'd)**

Attachments

- 1 Final Report (Confidential) - *printed in separate document*
- 2 Tender Summary Report (Confidential) - *printed in separate document*
- 3 Tender Evaluation Summary Report (Confidential) - *printed in separate document*

FILE NO: VARIOUS

ITEM NO: 15

URGENT BUSINESS**7.4. Urgent business**

(1) If the Agenda for a Meeting makes provision for urgent business, business cannot be admitted as Urgent Business other than by resolution of Council and only then if:

- (a) It relates to or arises out of a matter which has arisen since distribution of the Agenda; and
- (b) deferring the item until the next Meeting will mean a decision on the item will not have any effect on the matter; or
- (c) the item involves a matter of urgency as determined by the Chief Executive Officer; and
- (d) it cannot be addressed through an operational service request process.
- (e) the matter does not:
 - substantially affect the levels of Council service;
 - commit Council to significant expenditure not included in the adopted budget;
 - establish or amend Council Policy; or
 - commit Council to any contractual arrangement.

(2) A Councillor proposing a matter be admitted as urgent business must lodge it in writing to the Chief Executive Officer four (4) hours prior to the Meeting.

(3) The Chief Executive Officer will advise the Mayor of any matter he or she determines appropriate for Council to consider admitting as urgent business.

FILE NO: VARIOUS

ITEM NO: 16

PUBLIC QUESTION TIME

Questions of Council are an opportunity for the general public to submit a question prior to the Ordinary Meeting and receive a response from Council in the Questions of Council time.

- (1) The Council will hold Questions of Council Time for up to 30 minutes duration at the beginning of each Ordinary Meeting to allow questions of Council. Extension of time may be granted at the discretion of the Mayor.
- (2) Questions of Council are an opportunity for the general public to submit a question prior to the Ordinary Meeting and receive a response from Council in the Questions of Council time.
- (3) Council meetings are recorded and broadcasted to the public, this includes community questions and responses.
- (4) Questions of Council time will not apply during any period when the Council has resolved to close the meeting in respect of a matter under section 66 (1) of the Act.
- (5) Questions of Council may be on any matter relevant to the jurisdiction of the Council except if it:
 - (a) is considered malicious, defamatory, indecent, abusive, offensive, irrelevant, trivial, or objectionable in language or substance;
 - (b) relates to confidential information as defined under the Act;
 - (c) relates to the personal hardship of any resident or ratepayer; or
 - (d) relates to any other matter which the Council considers would prejudice the Council or any person.
 - (e) Deals with a subject matter already answered
- (6) No more than two questions will be accepted from any person at any one meeting.
- (7) Where the Chief Executive Officer does not accept a question, the submitter is to be informed of the reason or reasons for which their question was not accepted.
- (8) A question submitted in writing by a member of the public, which has been disallowed by the Chief Executive Officer will be provided to any Councillor on request.
- (9) Questions may be read by the submitter where they are present at the meeting. Where the submitter is not present they shall be read by a delegate of the Chief Executive Officer and may be abridged to get to remove unnecessary commentary and only state the question.
- (10) Questions submitted to the Council must be:
 - (a) in written form;
 - (b) contain the name, address and email or contact telephone number of the person submitting the question;
 - (c) in a form approved or permitted by the Council (Template available on Council's website);
 - (d) addressed to the Chief Executive Officer; and
 - (e) submitted no later than the day prior to the meeting by email to info@moira.vic.gov.au clearly stating is a question for the meeting.