



South Gippsland
Shire Council

Come for the beauty, Stay for the lifestyle

COUNCIL MINUTES

**ORDINARY MEETING NO. 365
WEDNESDAY 19 DECEMBER 2012
COUNCIL CHAMBERS, LEONGATHA
COMMENCED AT 2PM**

PRESENT:

Mayor: Cr Kieran Kennedy
Deputy Mayor: Cr Nigel Hutchinson-Brooks
Councillors: Mohya Davies, James Fawcett, Jeanette Harding, Robert Newton, Lorraine Brunt, Andrew McEwen and Don Hill.

OFFICERS:

Tim Tamlin	Chief Executive Officer
Anthony Seabrook	Director Engineering Services
Jan Martin	Director Community Services
Phil Stone	Director Development Services
June Ernst	Director Corporate Services
Luke Anthony	Manager Governance Services
David Roche	Governance Coordinator
Natasha Berry	Governance Officer
Bryan Sword	Manager Planning and Environmental Health
Paul Stampton	Manager Strategic Planning and Development
Geoff McKinnon	Manager Sustainability

MISSION

To effectively plan and provide for the social, built, economic and natural environments that ensure the future wellbeing of South Gippsland Communities.

SOUTH GIPPSLAND SHIRE COUNCIL

ORDINARY MEETING NO. 365 WEDNESDAY 19 DECEMBER 2012 COUNCIL CHAMBERS, LEONGATHA COMMENCED AT 2PM

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Tim Tamlin
Chief Executive Officer

SECTION A - PRELIMINARY MATTERS

A.1 Welcome

Please ensure Mobile phones remain 'off' during the Council Meeting.

A.2 Opening Prayer – Cr Nigel Hutchinson-Brooks

We pray to God to guide us so that the thoughts we have and the decisions we make this day, are in the best interests of the people of the South Gippsland Shire.

Amen

A.3 Acknowledgement of Traditional Custodians – Cr Nigel Hutchinson-Brooks

The South Gippsland Shire Council respectfully acknowledges the Traditional Custodians of this Land, Elders past and present, their Spirits and Ancestors.

A.4 Apologies

Nil

A.5 Confirmation of Minutes

RECOMMENDATION

That the Minutes of the South Gippsland Shire Council Ordinary Meeting No. 364, held on 28 November 2012 in the Council Chambers, Leongatha be confirmed.

MOVED: Cr Harding

SECONDED: Cr Newton

**THAT THE MINUTES OF THE SOUTH GIPPSLAND SHIRE COUNCIL
ORDINARY MEETING NO. 364, HELD ON 28 NOVEMBER 2012 IN THE
COUNCIL CHAMBERS, LEONGATHA BE CONFIRMED.**

CARRIED UNANIMOUSLY

A.6 Requests for Leave of Absence

Nil

A.7 Declaration of Conflict of Interest

Any interest that a Councillor or staff member has deemed to be significant and has disclosed as either a direct or an indirect interest is now considered to be a conflict of interest. Conflict of interest legislation is in sections 77A, 77B, 78, 78A-D and 79 of the Local Government Act 1989. This legislation can be obtained by contacting the Council's Organisational Development Department (Governance) or by accessing the Victorian Legislation and Parliamentary Documents website at www.legislation.vic.gov.au. An interest may be by close association, financial, conflicting duties or receipt of gifts.

If a Councillor or staff member discloses any interest in an item discussed at any Council Meeting (whether they attend or not) they must:

- Complete a disclosure of interest form prior to the Meeting (forms are available from the Organisational Development Department – Governance).
- Advise the Chair of the interest immediately before the particular item is considered (if attending the Meeting).
- Leave the Council Chamber or Meeting room while the item is being discussed and during any vote taken (if attending the Meeting).

The Councillor or staff member will be advised to return to the Council Chamber or Meeting room immediately after the item has been considered and the vote is complete.

Councillors should check the Minutes of the Council Meeting to ensure their disclosure is recorded accurately.

Councillors are not required to disclose conflict of interest in relation to matters only considered at Meetings they do not attend.

Detailed information is available in Conflict of Interest in Local Government – A Provisional Guide with amendments to 1 October 2010.

Councillor Davies declared an indirect conflict of interest in Closed Item 2 - 2012/2013 COMMUNITY GRANTS PROGRAM - ROUND ONE ALLOCATION, in that she has a conflict in duty as she is a member of the Chamber of Commerce and a board member of the South Gippsland Hospital.

Councillor Davies declared an indirect conflict of interest in Closed Item 8 – CONTRACTUAL MATTER, in that she has a conflict in duty as she is a Board member of the South Gippsland Hospital.

Councillor Newton declared a conflict of interest in Closed Item 2 - 2012/2013 COMMUNITY GRANTS PROGRAM - ROUND ONE ALLOCATION, in that he has a conflict of duty as he is a member of the Korumburra Recreation Reserve.

Councillor Newton declared a conflict of interest in Closed Item 2 - 2012/2013 COMMUNITY GRANTS PROGRAM - ROUND ONE ALLOCATION, in that he has a conflict of duty as he is on the Centenary Committee of the Korumburra Primary School.

Councillor Hutchinson-Brooks declared a conflict of interest by close association in Council Reports Item E.8 – LEONGATHA LAND SUPPLY AND DEVELOPMENT CONTRIBUTIONS as he has a commercial relationship with a relative of one of the proponents.

Councillor Hutchinson-Brooks declared a conflict of interest in Closed Item 2 - 2012/2013 COMMUNITY GRANTS PROGRAM - ROUND ONE ALLOCATION, in that he has a conflict of duty as he is a member of Council's Section 86 (Special Committee).

Councillor Hutchinson-Brooks declared a conflict of interest in Closed Item 3 – PROPOSED DEVELOPMENT in that he has a close association by way of a past commercial relationship with a proponent involved in this item.

Councillor McEwen declared a conflict of interest in Closed Item 2 - 2012/2013 COMMUNITY GRANTS PROGRAM - ROUND ONE ALLOCATION in that he has a conflict of duty as he is a member of community organisation that has applied for a grant.

Councillor Brunt declared a conflict of interest in Closed Item 2 - 2012/2013 COMMUNITY GRANTS PROGRAM - ROUND ONE ALLOCATION in that she is a member of the Poowong area Consultative Committee.

Type of Interest		Example of Circumstance
Direct Interest		Reasonably likely that your benefits, obligations, opportunities or circumstances will be directly altered. Reasonably likely to receive a direct benefit or loss measurable in money. Reasonably likely that your residential amenity will be directly affected.
Indirect Interest	Close Association	A member of your family has a direct interest or an indirect interest. A relative has a direct interest. A member of your household has a direct interest.
	Indirect financial Interest	Likely to receive a benefit or loss, measurable in money, resulting from a change to another person's interest. Holding shares in a company or body that has a direct interest (subject to threshold) When a person with a direct interest owes money to you.
	Conflict of Duty	Manager or member of the governing body of an organisation with a direct interest. Trustee for a person with a direct interest. Past dealings in relation to the matter as duty to another person or body.
	Applicable Gift	Gifts valued at \$500 in previous 5 years. Election donations valued at or above \$500 in previous 5 years. Gifts other than election campaign donations that were received more than 12 months before a person became a Councillor are exempt.
	Party to the Matter	Initiated or became party to civil proceedings in relation to the matter.

Privacy

Council is required to keep minutes of each Council meeting. The minutes contain details of proceedings which may include personal information about community members disclosed as part of presentations, submissions and questions. The minutes of Council meetings are a public record and can be inspected by members of the public.

Council undertakes audio recordings of Council Meetings as a contribution to good governance and accuracy of minutes. An audio recording of this meeting is being made for the purpose of verifying the accuracy of minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, and subpoena or by any other law such as the Freedom of Information Act 1982. It should be noted that other people present at the meeting may be recording the meeting and Council has limited power to regulate this. Council has developed a policy to regulate recordings, "Sound Recording of Council Meetings". A copy of this policy is located on Council's website www.southgippsland.vic.gov.au. Further information or a copy of the policy or can be obtained by contacting Council's Organisational Development Department (Governance).

A.8 Petitions

Petitions (and Joint letters) are written requests that have been signed by a number of community members. According to the Local Law No.3 2010 petitions may be presented to Council by a Councillor. A petition presented to the Council must lay on the table until the next Ordinary Meeting of the Council and no motion, other than to receive the petition, may be accepted by the Chair unless the Council agrees to deal with it earlier.

The lead petitioner or person organising the petition may in presenting the petition to a Councillor at the Council Meeting speak briefly to its contents. At the same meeting a Councillor would accept the petition and introduce it to Council for formal noting and actioning by Council.

The Councillor presenting the petition is responsible for ensuring that they are familiar with the contents and purpose of the petition and that it is not derogatory or defamatory.

Nil

A.9 Councillor Reports

Cr Harding addressed Council regarding:

- **Attendance at the Toora Tennis Reserve meeting on the 12 December 2012 and extended thanks to Council staff for their attendance and advice provided to community members.**
- **The Toora Factory, commenting that the asbestos has been 95% removed and that works are expected to be complete by Christmas.**

Cr Harding also wished community groups compliments of the season and extended thanks for their hard work.

Cr Newton addressed Council regarding:

- **Attendance at the West Gippsland Regional Library Board and commented that he was recently elected again as Chairperson and that it is one of the best committees that he has worked with.**
- **Korumburra Swap Meet South Gippsland Historical Automobile Club 30th year celebrations on Sunday 13 January 2013, an invitation was extended to Councillors to attend.**

Cr Fawcett addressed Council by wishing everyone a Happy Christmas.

Cr McEwen addressed Council regarding attendance at a deputation regarding the Nyora and Loch Bus Services that met with Deputy Premier Peter Ryan and Honourable Minister for Transport, Terry Mulder. A petition with approximately 1,000 signatures was submitted proposing additional bus services. Cr McEwen noted that it was a favourable hearing.

Cr Hutchinson-Brooks addressed Council regarding:

- **Attendance at Leongatha Rotary Club on behalf of Cr Kennedy, he explained at the meeting how Council works and highlighted how the new Council will be working for the betterment of the Shire with the business community.**
- **Opening the extensions to the National Bank Australia. Cr Hutchinson-Brooks noted that an extensive investment has been made which has improved facilities and more staff will be hired.**
- **Attendance at the South Gippsland Arts Community meeting in Foster, Cr Hutchinson-Brooks recommended the attendance of Councillors at these Arts meetings as many community members are involved.**

Cr Kennedy addressed Council regarding attendance and opening the Gardiner Foundation BBQ at the Tarwin Lower Hall. Cr Kennedy also thanked Marzia Maurilli, Community Facilitator for the great work in melding community groups together.

Cr Newton passed on best wishes to Cr McEwen and family for the future weeks.

SECTION B - NOTICES OF MOTION AND/OR RESCISSION

Nil

SECTION C - COMMITTEE REPORTS

Nil

SECTION D – PROCEDURAL REPORTS

D.1 REPORT ON ASSEMBLY OF COUNCILLORS - NOVEMBER 2012

Corporate Services Directorate

EXECUTIVE SUMMARY

As part of Council's ongoing efforts to enhance community engagement in Council processes, matters discussed at Councillor Briefing Sessions (other than those matters designated to be of a confidential nature) are reported on at Ordinary Council Meetings.

The matters listed in this report were presented or considered at either an Advisory Committee Meeting, Councillor Strategic Briefing Session or Public Presentation Session in November 2012.

Copies of responses to written questions presented and asked that were not answered at the meetings will be either provided as an attachment to this report or to a subsequent Council Meeting as is practicable to enable the development of a proper and informed response.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989, Section 3D and Section 80A

COUNCIL PLAN

Strategic Goal:	5.0	A Leading Organisation
Outcome:	5.1	Good Governance
Strategy No:	5.1.3	Community Engagement

REPORT

Meeting Type	Councillors Attending	Disclosures of Conflict of Interest & Topics Discussed
Wednesday 7 November 2012		
Preparation for Special (Statutory) Meeting	Crs Fawcett, Davies, Newton, Kennedy, Brunt, McEwen, and Hutchinson-Brooks.	Conflict of Interest: Nil <ul style="list-style-type: none"> Meeting Procedures
Council Meeting Procedures	Crs Fawcett, Davies, Newton, Kennedy, Brunt, McEwen, and Hutchinson-Brooks.	Conflict of Interest: Nil <ul style="list-style-type: none"> Ordinary Council Meeting Procedure
Oath/ Affirmation of Office	Crs Brunt, Davies, Harding, Newton, Fawcett, Kennedy, McEwen, Hutchinson-Brooks and Hill.	Conflict of Interest: Nil <ul style="list-style-type: none"> Councillors took their Oath / Affirmation of Office
Saturday 10 November 2012		
Housing and Settlement Strategy Community Workshop Fish Creek	Crs Brunt, Davies and Hutchinson-Brooks.	Conflict of Interest: Nil <ul style="list-style-type: none"> Introduction to project Focus group discussions
Housing and Settlement Strategy Community Workshop Foster	Crs Brunt and Davies.	Conflict of Interest: Nil <ul style="list-style-type: none"> Introduction to project Focus group discussions
Housing and Settlement Strategy Community Workshop Dumbalk	Crs Brunt, Hill and Hutchinson-Brooks.	Conflict of Interest: Nil <ul style="list-style-type: none"> Introduction to project Focus group discussions

Meeting Type	Councillors Attending	Disclosures of Conflict of Interest & Topics Discussed
Saturday 10 November 2012		
Housing and Settlement Strategy Community Workshop Korumburra	Crs Brunt and Hutchinson-Brooks.	Conflict of Interest: Nil <ul style="list-style-type: none">• Introduction to project• Focus group discussions
Wednesday 12 November 2012		
Housing and Settlement Strategy Community Workshop Leongatha	Crs Brunt, Hutchinson-Brooks, McEwen and Hill.	Conflict of Interest: Nil <ul style="list-style-type: none">• Introduction to project• Focus group discussions
Thursday 13 November 2012		
Municipal Fire Management Planning Committee	Cr McEwen	Conflict of Interest: Nil <ul style="list-style-type: none">• Annual Fire Prevention Workshop• Community Engagement and draft Municipal Fire Management Plan

Meeting Type	Councillors Attending	Disclosures of Conflict of Interest & Topics Discussed
Wednesday 14 November 2012		
Korumburra Central	Crs Fawcett, McEwen, Kennedy, Hutchinson-Brooks, Brunt, Newton and Davies.	<p>Conflict of Interest: Cr Hutchinson-Brooks left the room with a declared conflict of interest for particular item on the Agenda.</p> <p>Councillors were presented with information relating to an update on the expression of interest process.</p>
Community Grants	Crs Fawcett, McEwen, Kennedy, Hutchinson-Brooks, Brunt, Newton and Davies.	<p>Conflict of Interest: Crs Newton, McEwen, Brunt, Davies declared a conflict of interest and Cr Hutchinson-Brooks left the room with a declared conflict of interest.</p> <p>Councillors were presented with information relating to the role of Community Grants and Councillor Discretionary Funds. Councillors were also presented with recommendations for Community Grants Program Round 1.</p>
Executive Updates	Crs Fawcett, McEwen, Kennedy, Hutchinson-Brooks, Brunt and Davies.	<p>Conflict of Interest: Nil</p> <ul style="list-style-type: none"> • Port Welshpool Long Jetty • Community Conversation Invitation – Gippsland Energy Use • Sandy Point Hall • Eastern District Sewerage Scheme Update
Directorate Overview	Crs Fawcett, McEwen, Kennedy, Hutchinson-Brooks, Newton, Brunt, Davies and Hill.	<p>Conflict of Interest: Nil</p> <p>Presentations outlining the function of each Directorate was made to Council.</p>

Meeting Type	Councillors Attending	Disclosures of Conflict of Interest & Topics Discussed
Wednesday 14 November 2012		
Planning – An Overview	Crs Fawcett, McEwen, Kennedy, Hutchinson-Brooks, Newton, Brunt, Davies and Hill.	Conflict of Interest: Nil Councillors were presented with information on the functions of the Strategic and Statutory Planning Departments and Planning Enforcement.
Planning Committee	Crs Kennedy, Hutchinson-Brooks, Davies, Fawcett, McEwen, Brunt and Hill.	Conflict of Interest: Cr Hutchinson-Brooks left the room with a declared conflict of interest for particular item on the Agenda. <ul style="list-style-type: none"> • VCAT Decisions • Planning Applications of significance • Enforcement update • C76 – Southern Leongatha Outline Development Plan • Leongatha Land Supply and Growth
Council Briefing / Meeting Cycle	Crs Kennedy, Hutchinson-Brooks, Davies, Fawcett, McEwen, Brunt and Hill.	Conflict of Interest: Nil Councillors were presented with information relating to the format of the current Council Briefing/ Meeting cycle.
Monday 19 November 2012		
Recreation Reserves Combined Committee	Cr McEwen	Conflict of Interest: Nil <ul style="list-style-type: none"> • Reserve Successes and issues • Provision of facilities

Meeting Type	Councillors Attending	Disclosures of Conflict of Interest & Topics Discussed
Wednesday 21 November 2012		
Australia Day Awards Selection	Crs Kennedy, Hutchinson-Brooks and Davies.	Conflict of Interest: Nil Selection of Award recipients.
Ordinary Council Agenda Topics - 28 November 2012	Crs Fawcett, McEwen, Kennedy, Hutchinson-Brooks, Brunt and Davies.	Conflict of Interest: Nil Ordinary Council Meeting Agenda Topics 28 November 2012.
Venus Bay and Walkerville Proposed Kerbside Service Update	Crs Fawcett, McEwen, Kennedy, Hutchinson-Brooks, Brunt and Davies.	Conflict of Interest: Nil Councillors were presented with information relating this proposed service.
Strategic Financial Issues Response	Crs Fawcett, McEwen, Hill, Kennedy, Hutchinson-Brooks, Brunt and Davies.	Conflict of Interest: Nil Councillors were presented with information relating to Council's current financial challenges and cost pressures.
STEP Asset Management	Crs Fawcett, McEwen, Hill, Kennedy, Hutchinson-Brooks, Brunt and Davies.	Conflict of Interest: Nil Councillors were presented with information relating to the findings of the STEP Asset Management results for South Gippsland Shire Council.
Public Presentations - 2pm Session	Crs Fawcett, Harding, McEwen, Hill, Kennedy, Hutchinson-Brooks, Brunt and Davies.	Conflict of Interest: Nil Presentation was made to Council by the following community member:
Mr David Amor – congratulating Council on being elected Councillors.		

Meeting Type	Councillors Attending	Disclosures of Conflict of Interest & Topics Discussed
Wednesday 21 November 2012		
National Broadband Network (NBN) Rollout OPEN SESSION	Crs Fawcett, McEwen, Hill, Harding, Kennedy, Hutchinson-Brooks, Brunt and Davies.	Conflict of Interest: Nil Councillors were presented with information relating to an update on the roll-out of fixed NBN services to be delivered in South Gippsland by fixed wireless technology.
Strategic Financial Issues Response.....continued	Crs Fawcett, Harding, McEwen, Kennedy, Hutchinson-Brooks, Hill and Brunt.	Conflict of Interest: Nil Councillors were presented with information relating to Council's current financial challenges and cost pressures.
Executive Updates	Crs Fawcett, McEwen, Hill, Harding, Kennedy, Hutchinson-Brooks and Brunt.	Conflict of Interest: Nil <ul style="list-style-type: none"> • Councillor Planning Workshop • Caravan Park Update • Information Technology • Venus Bay – Helicopter operations • TAFE funding update • Gippsland Regional Planning Governance Framework • Council Christmas cards • Rural Council Victoria Executive • West Gippsland Catchment Management Advisory Committee
Public Presentations - 7pm Session		
Nil Presentations		
Thursday 22 November 2012		
Housing and Settlement Strategy	Crs Hutchinson-Brooks, Brunt and Davies.	Conflict of Interest: Nil <ul style="list-style-type: none"> • Review of submissions

Meeting Type	Councillors Attending	Disclosures of Conflict of Interest & Topics Discussed
Tuesday 23 November 2012		
Access and Inclusion Advisory Committee	Cr Kennedy	Conflict of Interest: Nil <ul style="list-style-type: none"> • Introduction new Councillors to the Committee • International Day for Disability • Cowes Access for all Event • Christmas Breakup • Access and Inclusion Plan
Wednesday 28 November 2012		
Ordinary Council Agenda Topics - 28 November 2012	Crs Fawcett, Harding, Newton, Kennedy, Brunt and Davies.	Conflict of Interest: Nil Ordinary Council Meeting Agenda Topics 28 November 2012.
Public Presentations – 10am Session	Crs Fawcett, Harding, Kennedy, Brunt, Davies, McEwen and Newton.	Conflict of Interest: Nil Presentations were made to Council by the following community members:
Mr Alan Van Kuyk – regarding Council Agenda item E.1 - PLANNING SCHEME AMENDMENT C77 - EASTERN DISTRICT.		
Mr Paul Norton - regarding National Broadband Network and the Leongatha CFA site.		
Leongatha Parking Strategy	Crs Fawcett, Harding, Newton, Kennedy, Brunt, McEwen, Hill and Davies.	Conflict of Interest: Nil Councillors were presented with information relating to this proposed Strategy.

RECOMMENDATION

That Council receive and note this report.

MOVED: Cr Hill

SECONDED: Cr Davies

THAT THE RECOMMENDATIONS IN ITEM D.1 AND D.2 BE ADOPTED.

CARRIED UNANIMOUSLY

D.2 DOCUMENTS SEALED - NOVEMBER 2012

Corporate Services Directorate

EXECUTIVE SUMMARY

Under the Victorian Local Government Act, each Council is a body corporate and a legal entity in its own right. Each Council must have a common seal (like any corporate entity) that is an official sanction of that Council.

Sealing a document makes it an official document of Council as a corporate body. Documents that require sealing include agreements, contracts, leases or any other contractual or legally binding document that binds Council to another party.

LEGISLATIVE/ ACTION PLANS/ STRATEGIES/ POLICIES

Local Government Act 1989 - Section 5

Local Law No. 3 2010

COUNCIL PLAN

Strategic Goal:	5.0	A Leading Organisation
Outcome:	5.2	Active, Resilient Community
Strategy No:	5.2.5	Risk Management

REPORT

The Local Government Act 1989 requires that every Council must have a common seal and all courts, judges and persons acting judicially must take judicial notice of the imprint of the common seal of a Council on any document.

Local Law No. 3 2010, Part 9, Section 107 (f) (iv) – The Common Seal of Council, states that ‘If the Chief Executive uses the Common Seal in a manner prescribed by sub-clause (c) then he/she must advise Council of such use on a regular basis.’

In accordance with the Local Law, the following are presented to Council as documents sealed in the month of November 2012.

1. Section 173 Agreement of the Planning and Environment Act 1987 between South Gippsland Shire Council and the owner of Lot 2, 175 Bartons Road, Buffalo in relation to the removal of the Section 173 Agreement from the Certificate of Title – Seal Applied 7 November 2012.

2. Section 45 Transfer of Land Act 1958 in relation to Sandy Point property – Seal Applied 28 November 2012.
3. Section 173 Agreement of the Planning and Environment Act 1987 between South Gippsland Shire Council and the owner of 40 Foster-Promontory Road, Foster in relation to rezoning of land – Seal Applied 30 November 2012.

RECOMMENDATION

That Council note that the listed documents have been signed and sealed.

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion, refer to page 17.

SECTION E - COUNCIL REPORTS

E.1 STRATEGIC FINANCIAL ISSUES

Corporate Services Directorate

EXECUTIVE SUMMARY

Council at its meeting on 26 September 2012 resolved that it receive a report detailing a framework of options and a recommended way forward to achieve a sustainable financial position in accordance with the Long Term Financial Strategies.

A briefing session was held with Council on 21 November 2012 that provided an overview of existing financial methodology, discussed unavoidable cost events, net saving offsets and other strategic cost pressures.

Discussion also took place on how to progress this matter. The preferred approach was to address the immediate financial sustainability challenge and other strategic challenges as part of the forthcoming Council Plan and Budget preparation.

It was also agreed that the Finance Department assess the viability of paying its superannuation obligations in advance of 1 July 2012 and advise Local Government Victoria that it may potentially require borrowings in 2013/14.

Document pertaining to this Council Report

- **Attachment 1** - October Budgeted Financial Statements

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

2012/13 Annual Budget incorporating the Long Term Financial Plan

Long Term Financial Strategy 2012/13

COUNCIL PLAN

Strategic Goal:	5.0	A Leading Organisation
Outcome:	5.2	Systems and Processes
Strategy No:	5.2.3	Financial management

CONSULTATION

Council report presented on 26 September 2012 and a follow-up Council briefing was held on 21 November 2012. This provided background

information to Councillors and an opportunity to discuss the matters presented.

REPORT

Background

At its meeting on 26 September 2012 Council considered a report that discussed strategic financial management issues. The report discussed financial challenges as a result of the higher than anticipated unfunded superannuation call, reduced Victoria Grants Commission allocation and other cost pressures.

Council resolved to:

- receive and note the Strategic Financial Management Issues report; and
- receive a report in December 2012 detailing a framework of options and a recommended way forward to achieve a sustainable financial position in accordance with the Long Term Financial Plan strategies.

Approach

The approach taken to progress the Council resolution included conducting a briefing session with Council on 21 November 2012 that included:

1. Providing councillors an overview of existing financial methodology processes and a simulation 'what if financial scenario' modelling exercise. This gave Councillors some context regarding the impact of the financial challenge.
2. Identifying significant unavoidable cost events that impact not only on this current financial year but in some instances forward budgets in the Long Term Financial Plan. These are summarised below under the header 'Unfavourable cost events'.
3. Identifying net recurrent savings (increased income / reduced expenditure) in the current and forward budgets. These are summarised below under the header 'Identified net savings'.
4. Identifying and discussing other strategic net cost pressures (this includes expenditure considerations and some potential income increases / expenditure reductions). These costs have not been updated into the Financial Plan and are subject to future decisions by Council.
5. General discussion with Councillors on how to progress this matter.

Unfavourable cost events

There have been a number of significant unavoidable cost events that impact not only on this current financial year but in some instances forward budgets in the Long Term Financial Plan. These include:

1. Unfunded superannuation call, both for Council and the Regional Library service. The funding call, including contributions tax for Council, amounts to \$4.6 million and for the Library \$104,000 (Council's portion of \$522,000 unfunded liability for the Library service).
2. Workcover premium for 2012/13 increased by \$55,000 due to an obligation to calculate the premium on employee costs that must include a portion of the unfunded superannuation, which is required to be accounted for as an employee expense.
3. The reduction of allocations from the Victoria Grants Commission. Council will not continue to receive in advance first quarter allocations in future years. A further negative adjustment of grant funds to take into account is the Commonwealth Government overestimation of inflation and population growth forecasts that has to be allowed for. The impact for 2012/13 is \$2.42 million less grants. This has a compounding \$165,000 per annum negative impact on forward budgets in the Long Term Financial Plan.
4. Legislative changes to the way councils have to calculate and charge interest on overdue rates and charges means that Council will receive up to 75% or \$125,000 less revenue per annum in coming years.
5. Flow on negative impacts on interest income on investments. This results in a \$100,000 per annum reduction in income due to the net unfavourable cost events and reduced interest rates.
6. Costs for Sandy Point Hall exceeding budget projections by \$175,000.
7. Waste Transfer Station project moved from 2012/13 to 2014/15 and an additional \$69,000 cost.
8. Corner Inlet Projects \$487,000 cost increase over 4 years.
9. Reduced waste to landfill has resulted in reduced income, which has been partially offset by reduced landfill levy and cost savings in new kerbside garbage and recycling contract, resulting in a net additional cost to Council of \$270,000 per annum.
10. Reduced tertiary assistance reimbursements from employees to the value of \$95,000 over the forward budgets.

These costs have been updated into the current and forward budgets in the Long Term Financial Plan.

Identified net savings

The net recurrent savings of \$3.2 million (increased income / reduced expenditure) over 15 years identified include:

1. Biodiversity program net saving of \$48,000 over forward budgets.
2. Budget projection increased for open space contribution by \$50,000.
3. Immunisation program net increase in income estimates of \$157,000 over forward budgets.
4. Recognition of one off municipal planning grant of \$10,000 for Early Years Services.
5. Non recurrent grant of \$37,000 for Community Building Program.
6. Governance operations net increase of income of \$138,000 over forward budgets.
7. Net budget savings of \$1.1 million in fleet replacements over the forward budgets.
8. Engineering Services Management net saving of \$48,000 over forward budgets.
9. Development Services Management net saving of \$29,000 over forward budgets.
10. Finance Department net savings of \$82,000 identified for charges and fees over forward budgets.
11. Net budget savings of \$185,000 identified for Workcover premiums over forward budgets.
12. Customer Relations Management net saving of \$11,000 over forward budgets.
13. Corporate Information Management net saving of \$140,000 over forward budgets.
14. Coal Creek Heritage Village net saving of \$473,000 over forward budgets.
15. Strategic Planning net saving of \$6,000 over forward budgets.
16. Environment net saving of \$12,000 over forward budgets.
17. Economic Development net saving of \$15,000 over forward budgets.
18. Tourist Development and Promotion net saving of \$15,000 over forward budgets.

19. Emergency Management net saving of \$93,000 over forward budgets.
20. Community Services Management net saving of \$10,000 over forward budgets.
21. Plant net saving of \$201,000 over forward budgets.
22. Car Parks – Port Welshpool boat ramp budget reduced by a net \$199,000 in 2013/14.
23. Civil capital works design budget reduced by \$28,000 in 2012/13.
24. Roads – Safe Intersections Program budget reduced by \$60,000 in 2012/13.
25. Footpaths Anderson Street Leongatha budget reduced by \$11,000 in 2012/13.
26. Footpaths Grand Ridge West Road budget reduced by \$5,000 in 2012/13.
27. Buildings – Refurbish Michael Place Toilet budget reduced by \$50,000 in 2012/13.
28. Pool design budget reduced by \$15,000 in 2012/13.
29. Bridge - major repairs budget reduced by \$3,000 in 2012/13.
30. Pools Toora – replace chemical shed budget reduced by \$50,000 in 2012/13.
31. Recreation Future Unplanned Works budget reduced by \$10,000 in 2012/13.

These costs have been updated into the current and forward budgets in the Long Term Financial Plan.

Legislative obligations & Strategic Methodology

The net impact of the changes to budget projections for the unfavourable cost events and identified net savings is significantly unfavourable.

Council pursuant to Section 136 of the Local Government Act 1989 must implement the principles of sound financial management. The principles of sound financial management are that a Council must:

1. Manage financial risks faced by the Council prudently, having regard to economic circumstances;
2. Pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;

3. Ensure that decisions are made and actions are taken having regard to their financial effects on future generations; and
4. Ensure full, accurate and timely disclosure of financial information relating to the Council.

Council has a series of financial strategies that guide the development of annual and longer term financial plans. This ensured that Council complied with its statutory obligations to develop and maintain financially responsible annual and longer term budgets (the Long Term Financial Plan).

The performance management of the Annual Budget, Long Term Financial Plan and financial performance throughout the financial year is monitored by reference to a series of key financial performance management indicators. The Victorian Auditor General uses very similar indicators to assess and report of the financial viability of Victorian Councils to Parliament.

The financial strategies and performance indicators are discussed in some detail in the Long Term Financial Strategy. This document is available on Council's website www.southgippsland.vic.gov.au.

The net outcome of the unfavourable cost events and identified savings present as a significant detrimental impact on the balance sheet, which puts Council in an unsustainable financial position. This is evidenced by the underlying working capital ratio, which is to be addressed as a priority.

To restore the financial integrity to the current and forward budget projections requires consideration of a number of factors and options including service level adjustments, cost reductions, income increases, utilisation of internal reserve funds, borrowings and rate increases to be effected. It is important that the relevant financial strategies are considered. These include:

1. Continue to target underlying surpluses to provide funds for recurrent service level, asset renewal and upgrade requirements.
2. Target the balance sheet having at least a 1.5 :1 underlying working capital ratio.
3. Target to replenish the general reserve funds that can then be strategically considered as a funding source for future one off, unexpected or unavoidable costs.
4. Utilise key financial performance indicators, in particular the underlying working capital ratio to strategically analyse the financial integrity of the Financial Plan.
5. Capital expenditure program on asset renewal and upgrade assets be given priority over capital expenditure on new assets.

6. That cost impacts for any borrowings being considered are quantified in the Long Term Financial Plan, to validate that the integrity of the financial strategies are not being compromised.
7. Consider the most appropriate rating strategy to provide adequate funds to achieve sustainable underlying surpluses and cash flows as well as to fund capital renewal projects.

The immediate priority is to restore the longer term integrity to both the Annual Budget and the Financial Plan. The budgeted financial statements in the Long Term Financial Plan have to become financially sustainable. This would be evidenced by financial key performance indicators; in particular the underlying working capital ratio in this instance trending back to strategic target levels over a period of time.

Financial assessment

Adjusting budget projections into the Long Term Financial Plan has enabled the cost implications to be strategically analysed. The objective was to reduce the overall net unfavourable cost impact of the cost events described at the beginning of this report. Unfortunately, despite the identified savings, overall there is a significant adverse cost impact. The assessment of financial impacts is assessed by reference to financial performance indicators.

Of particular interest is the impact on the underlying working capital ratio. This ratio assesses balance sheet strength, by comparing unrestricted current assets relative to current liabilities. It measures the ability to pay existing liabilities.

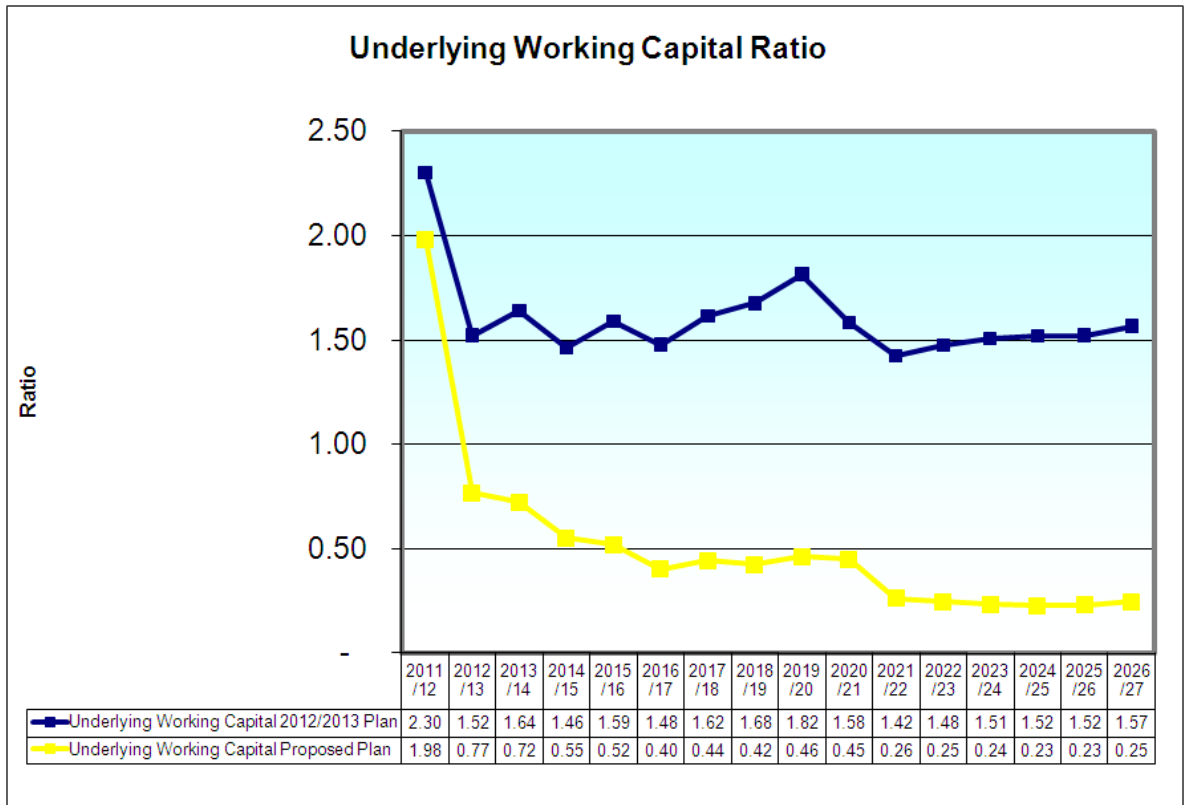
A ratio that exceeds 1.5 would indicate that Council has low risk of financial sustainability concerns. A ratio that is between 1.5 and 1.0 indicates that caution is required with cash flow, as issues could arise meeting obligations as they fall due. A ratio of less than 1.0 indicates immediate sustainability issues with insufficient unencumbered current assets to cover liabilities.

The impact of bringing to account the net budget adjustments described above on the underlying working capital ratio is shown in the table below. Red indicates 'immediate sustainability concerns, yellow 'caution' and green 'low financial risk'

Years	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Underlying working capital	0.77	0.72	0.55	0.52	0.40	0.44	0.42	0.46	0.45	0.45	0.26	0.24	0.23	0.23	0.25

The overall unfavourable cash flow impact from the abovementioned cost events has had a material adverse impact on Council's Financial Plan.

The magnitude of the impact on Council's cash flow and flow on effect on the underlying working capital ratio is readily identifiable in the following graph. The graph shows the original 2012/13 Financial Plan position (dark blue line) and the current position which includes the additional cost impact of unavoidable costs, less identified savings (yellow line).



Other Strategic Cost Pressures

At the 21 November 2012 briefing session Councillors discussed other strategic net cost pressures (this includes expenditure considerations and some potential income increases / expenditure reductions). These costs have not been updated into the Financial Plan. It is proposed to consider them all as part of the 2013-2017 Council Plan/Annual Plan/Budget. The current October Budgeted Financial Statements are provided in **Attachment 1**.

Progressing this matter

At the briefing session held on 21 November 2012, the following matters were discussed:

1. Consideration of the potential financial benefits of paying the unfunded superannuation obligations prior to the 1 July 2013 deadline, to procure an 'early payment discount';
2. Advising Local Government Victoria / Australia Loans Council that South Gippsland Shire Council may potentially require to borrow funds in 2013/14;
3. Long term financially sustainable solutions; and
4. Request to review Department service levels and associated costs.

Councillors will be provided with a comprehensive document that describes each Department's Business Plan outlining their purpose, program service areas, associated service levels/performance measures and targets for key activities. These will form a 'left hand page' view of Council services. A corresponding 'right hand page' view setting out the Department program budget costs and income sources will be also be provided. This will give Councillors an appreciation of service level standards and associated costs during the budget development process. It will also allow discussion on any changes to service levels and associated costs.

The financial benefit of early payment of the superannuation obligations is attractive, with a 7.5% pro rata discount for early payment. Early repayment would reduce our \$4.61 million debt to \$4.50 million (\$111,000 reduction). Council currently earns around 5% on its short term investments. If Council paid its obligations by the end of February 2013 Council would receive a 2.5% approximate or \$35,000 net discount.

Council will have sufficient cash from February 2013 to June 2013 on hand to make early payment. However if this early payment is made there is a real risk that this would potentially create immediate cash flow issues from July onwards. If actual costs incurred for the balance of this financial year mirrored projected budgets and levels of accounts receivables / payables as at the same level at 30 June 2013 to last year Council would have \$2.5 million unencumbered cash at year end. That would present as an immediate cash flow concern in the following months. It is considered that the financial risks of early payment outweigh the financial benefits.

The option of early payment to obtain a discount relies heavily on having confidence that the unfavourable working capital ratio can be immediately rectified. Currently this cannot be validated. By choosing a \$35,000 net cost saving for early repayment could inadvertently force Council to pursue borrowings.

Advising Local Government Victoria / Australia Loans Council of its intention to borrow funds, does not commit Council to borrowing these funds. The decision to borrow funds can be strategically considered in the forthcoming Council Plan / Budget cycle. The decision to borrow or not to borrow would be made by Council at a formal Council meeting when it formally prepares and then adopts its budget. This keeps Council's options open at this stage.

Council will be considering the implications of various funding models, rating strategies, income sources, service levels, capital works programs, asset renewal gaps, fees and charges, financial strategies and initiatives, in coming months as the new 4 year Council Plan, Annual Plan, Financial Plan and Annual Budget are prepared.

NEXT STEPS

Council is committed to satisfying community service level requirements and accompanying strategic initiatives driving and dictating Financial Plan funding requirements in a financially responsible way.

The Local Government Act 1989 section 125 and section 223 requires Council to formally advertise an endorsed four year Council Plan incorporating a Strategic Resource Plan, for a minimum of 28 days, prior to adopting the 2013-2017 Council Plan by 30 June 2013. The Annual Plan and Budget need to be completed and advertised at the same time as the Council Plan to ensure alignment is achieved between all the plans and that formal public submissions can be received and heard on these plans at the same time.

Achieving these targets requires a comprehensive business and financial planning process to be undertaken involving consideration of financial models utilising the existing adopted financial performance indicators. This work will involve consideration of rating differentials, income sources, service levels, capital works programs, asset renewal gaps, fees and charges, financial strategies and new initiatives, in the preparation of the 2013-2017 Council Plan, 2013/14 Annual Plan, Long Term Financial Plan and 2013/14 Annual Budget.

Adherence to critical dates in the preparation of the Council Plan and Annual Budget will be necessary to ensure legislative requirements are met. The following actions and critical timelines set out the steps required in the coming six months:

December to February – review and preparation of draft financial strategies, capital works program, rating strategies, Department Business Plans incorporating service programs/service levels and associated budgets, Long Term Financial Plan, 2013-2017 Council Plan, 2013/14 Annual Plan and 2013/14 Annual Budget. These will be reviewed by Council.

March – the suite of planning documents, along with detailed Department Business Plans that include service programs/service levels and associated budgets, will be finalised. The financial strategies will be reviewed by and presented to Council for adoption.

April – the draft 2013-2017 Council Plan, 2013/14 Annual Plan and 2013/2014 Annual Budget will be presented to Council for endorsement. The formal section 223 Public Submission requirement will commence.

May – the section 223 Public Submission requirement will close late May.

June – Council will hear and consider all public submissions received at a ‘Public Hearing Meeting’ in early June. The final 2013-2017 Council Plan, 2013/14 Annual Plan and 2013/14 Annual Budget will be amended, if necessary, and presented to Council for adoption. The adopted plans will be sent to the Minister for Local Government on or before close of business 30 June 2013.

Development of a viable and sustainable financial plan, based on service requirements, is essential to underpin Council’s short, and longer term financial position. Definitive feedback can be provided to Council via key financial performance indicators as to the levels of financial risk associated with various models in preparing the 2013/14 Budget / Financial Plans.

RISK FACTORS

The Long Term Financial Strategy has emphasised consistently the importance of quantifying existing service level requirements and the associated long term cash flow requirements. This would ensure that service level requirements drive funding requirements and hence the Long Term Financial Plan. There is a risk to the integrity of Council’s Financial Plan if service requirements and strategic initiatives are not clearly defined, quantified and used to drive funding requirements.

To take advantage of paying the superannuation obligation early to obtain a finance discount, does carry some risk. Currently, it is not possible to clarify and analyse what the impact would be in the months following 30 June 2012 on Council’s solvency levels. However, if the current financial plan is unchanged there would be significant concerns. Unless Council can achieve a guaranteed substantial upfront injection of cash, borrow funds for July 1, or find cost reductions, it is not recommended to pay the superannuation call in advance.

CONCLUSION

The identified net savings realised, along with the unavoidable cost pressures clarified in the review to date, has set the base for Council’s current financial situation going forward.

Development of a viable and sustainable financial plan, based on service requirements, is essential to underpin Council’s short, and longer term financial position. Definitive feedback can be provided to Council via key financial performance indicators as to the levels of financial risk associated with various models in preparing the 2013/14 Budget/ Financial Plans.

Advising the Local Government Victoria/ Australian Loan Council that South Gippsland Shire Council may consider borrowing funds in 2013/14 is recommended as an interim step that does not commit Council to borrow, but provides the ability to do so, if required.

A comprehensive process to review service provision, consider rating strategies, determine future directions for the Council and manage these

requirements in a financially sustainable manner, is required as Council develops the 2013-2017 Council Plan, 2013/14 Annual Plan, Long Term Financial Plan and 2013/14 Annual Budget.

RECOMMENDATION

That Council:

1. Receive and note the Strategic Financial Issues report.
2. Authorise the Chief Executive officer to give indication to Local Government Victoria / Australian Loan Council that it will consider borrowings in 2013/14 when Local Government Victoria request Councils to provide updated estimates for borrowing requirements.
3. Commence a comprehensive business and financial planning process in the preparation of the 2013-2017 Council Plan, 2013/14 Annual Plan, Long Term Financial Plan and 2013/14 Annual Budget.

MOVED: Cr Hill

SECONDED: Cr Fawcett

THAT COUNCIL:

1. **RECEIVE AND NOTE THE STRATEGIC FINANCIAL ISSUES REPORT.**
2. **AUTHORISE THE CHIEF EXECUTIVE OFFICER TO GIVE INDICATION TO LOCAL GOVERNMENT VICTORIA / AUSTRALIAN LOAN COUNCIL THAT IT WILL CONSIDER BORROWINGS IN 2013/14 WHEN LOCAL GOVERNMENT VICTORIA REQUEST COUNCILS TO PROVIDE UPDATED ESTIMATES FOR BORROWING REQUIREMENTS.**
3. **COMMENCE A COMPREHENSIVE BUSINESS AND FINANCIAL PLANNING PROCESS IN THE PREPARATION OF THE 2013-2017 COUNCIL PLAN, 2013/14 ANNUAL PLAN, LONG TERM FINANCIAL PLAN AND 2013/14 ANNUAL BUDGET.**

CARRIED UNANIMOUSLY

**Attachment 1
October Budgeted Financial Statements**

	Original 2012/13 \$'000	Projected 2012/13 \$'000	Budget 2013/14 \$'000	Budget 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000
SOUTH GIPPSLAND SHIRE COUNCIL																
BUDGETED INCOME STATEMENT																
REVENUES FROM OPERATING ACTIVITIES																
Rates & charges	31,600	31,382	33,077	34,383	36,045	37,957	39,972	42,086	44,137	46,279	48,526	50,884	53,368	55,954	58,678	61,537
Operating grants	12,252	16,976	13,210	12,019	10,406	11,174	10,931	11,486	11,484	12,010	12,334	12,694	12,914	13,230	13,554	13,885
Reimbursements	302	318	327	330	340	349	359	370	380	391	403	414	426	439	452	465
Contributions	37	237	33	34	35	36	37	38	39	40	41	42	43	44	45	46
Interest	844	786	626	642	658	674	691	709	726	744	763	782	802	822	842	863
User charges	2,709	2,331	2,480	2,600	2,727	2,865	3,018	3,180	3,344	3,508	3,679	3,859	4,048	4,246	4,453	4,669
Statutory fees	517	564	582	587	602	637	647	648	664	703	715	715	733	776	789	788
Net gain/ (loss) on disposal of assets	627	233	(303)	(513)	(312)	(322)	(347)	(354)	(365)	(400)	(394)	(391)	(347)	(361)	(275)	(289)
Other	1,443	1,161	1,179	1,210	1,244	1,276	1,311	1,345	1,384	1,421	1,459	1,500	1,540	1,583	1,612	1,620
TOTAL REVENUES	50,031	53,957	51,211	51,492	51,745	54,646	56,619	59,527	61,793	64,696	67,526	70,409	73,517	76,733	80,150	83,584
EXPENSES FROM OPERATING ACTIVITIES																
Employee costs	19,686	19,712	20,444	21,119	21,992	22,970	23,983	25,061	26,177	27,342	28,559	29,830	31,162	32,551	33,997	35,413
Materials & consumables	20,462	26,642	15,612	15,177	15,506	16,038	16,322	16,722	17,185	17,779	18,386	19,026	19,450	20,116	20,404	20,779
Depreciation	9,139	9,139	9,603	10,461	11,033	11,892	12,519	13,547	14,219	15,499	16,252	17,603	18,545	20,041	20,930	22,753
Other	2,912	3,023	3,157	3,032	3,096	3,162	3,229	3,298	3,369	3,441	3,493	3,569	3,651	3,734	3,820	3,903
Borrowing cost expenses	24	24	4	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	52,203	58,540	48,820	49,789	51,627	54,062	56,063	58,628	60,950	64,061	66,690	69,928	72,808	76,442	79,441	82,848
UNDERLYING RESULT	(2,172)	(4,583)	2,391	1,703	118	584	556	889	843	635	836	481	709	291	1,009	736
Capital grants	1,636	2,819	2,055	3,992	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636	1,636
Donated / Granted Assets	1,242	1,242	1,273	1,305	1,338	1,371	1,405	1,440	1,476	1,513	1,551	1,590	1,629	1,670	1,712	1,712
SURPLUS (DEFICIT) FOR THE YEAR	706	(522)	5,719	6,890	3,892	3,591	3,597	3,975	3,955	3,784	4,023	3,707	3,974	3,597	4,357	4,084
Net Asset revaluation increment	3,658	3,658	48,015	7,717	56,987	2,394	0	4,976	71,262	10,999	82,741	10,438	105,807	5,964	106,945	21,271
Previously unrecognised assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CHANGES IN EQUITY FOR THE YEAR	4,364	3,136	53,734	14,607	60,079	5,985	3,597	8,951	75,217	14,783	86,764	14,145	109,781	9,561	111,302	25,355

SOUTH GIPPSLAND SHIRE COUNCIL																
BUDGETED BALANCE SHEET																
	Budget 2012/13	Projected 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets																
Cash assets	9,417	4,693	707	(669)	(351)	(1,017)	20	441	1,529	2,092	864	1,524	2,328	3,229	4,263	5,458
Receivables	3,237	3,577	3,566	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556	3,556
Other financial assets	0	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Assets held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intangibles	352	317	317	317	317	317	317	317	317	317	317	317	317	317	317	317
Other	361	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320
Total Current Assets	13,267	12,657	8,650	7,374	7,592	6,526	7,963	8,384	9,472	10,035	8,807	9,467	10,271	11,172	12,206	13,401
Non Current Assets																
Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments	932	478	478	478	478	478	478	478	478	478	478	478	478	478	478	478
Fixed Assets	137,831	133,891	144,078	147,122	159,910	163,078	162,793	164,673	182,063	182,961	204,169	203,869	225,142	224,786	249,032	248,562
Roads Sheets & Budgets	351,911	343,868	386,743	399,673	446,840	450,419	453,363	460,116	516,959	530,389	597,285	611,195	699,007	708,145	794,289	819,041
Total Non Current Assets	490,674	478,237	531,299	547,273	607,228	613,975	616,634	625,266	699,500	713,828	801,932	815,532	924,627	933,409	1,043,799	1,068,081
Total Assets	903,941	804,894	619,949	614,647	614,820	620,901	624,597	633,650	708,972	723,863	810,739	824,999	934,898	944,581	1,056,005	1,081,482
Current Liabilities																
Payables	3,626	9,567	4,944	4,934	4,934	4,934	4,934	4,934	4,934	4,934	4,934	4,934	4,934	4,934	4,934	4,934
Trust funds	141	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369
Provisions	4,052	4,913	4,953	4,963	5,033	5,073	5,113	5,153	5,193	5,233	5,273	5,313	5,353	5,393	5,433	5,473
Interest bearing liabilities	135	134	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	7,954	14,983	10,266	10,296	10,336	10,376	10,416	10,456	10,496	10,536	10,576	10,616	10,656	10,696	10,736	10,776
Non Current Liabilities																
Payables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	468	271	319	370	424	480	539	601	666	734	806	881	959	1,041	1,123	1,205
Interest bearing liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Non Current Liabilities	468	271	319	370	424	480	539	601	666	734	806	881	959	1,041	1,123	1,205
Total Liabilities	8,422	15,254	10,585	10,666	10,760	10,856	10,955	11,057	11,162	11,270	11,382	11,497	11,615	11,737	11,859	11,981
Net Assets	495,519	475,640	529,374	543,961	604,060	610,045	613,642	622,593	697,810	712,593	799,357	813,562	923,283	932,844	1,044,146	1,069,501
Equity																
Accumulated Surplus	193,560	187,935	193,572	199,980	202,562	205,610	208,630	211,962	215,297	218,393	221,687	224,546	227,619	230,259	233,600	236,668
Reserves	301,359	287,705	335,802	344,001	401,498	404,435	405,012	410,601	462,513	494,200	577,670	588,956	695,664	702,585	810,546	832,833
Total Equity	495,519	475,640	529,374	543,961	604,060	610,045	613,642	622,593	697,810	712,593	799,357	813,562	923,283	932,844	1,044,146	1,069,501

Attachment 1

	Budget 2012/13	Projected 2012/13	Budget 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SOUTH GIPPSLAND SHIRE COUNCIL																
BUDGETED CASH FLOW STATEMENT																
Rates	31,600	31,352	28,465	34,383	36,045	37,957	39,972	42,095	44,137	46,279	48,526	50,884	53,358	55,954	58,678	61,537
Statutory fees & fines	517	564	582	587	602	637	647	648	664	703	715	716	733	776	789	788
User charges	2,709	2,331	2,480	2,600	2,727	2,865	3,018	3,180	3,344	3,508	3,679	3,859	4,048	4,246	4,453	4,669
Grants	13,888	19,745	15,265	15,901	12,042	12,810	12,567	13,131	13,120	13,646	13,970	14,240	14,550	14,866	15,190	15,521
Reimbursements	302	318	327	330	340	349	359	370	380	391	403	414	426	439	452	465
Interest received	844	785	626	642	658	674	691	709	726	744	763	782	802	822	842	863
Rents	327	327	329	337	346	354	363	372	382	391	401	411	421	432	443	453
Other receipts	863	1,121	883	907	933	958	985	1,011	1,041	1,070	1,099	1,131	1,162	1,195	1,224	1,253
Payments to Suppliers	(20,463)	(26,643)	(15,614)	(15,175)	(15,508)	(16,040)	(16,324)	(16,724)	(17,167)	(17,701)	(18,308)	(18,928)	(19,452)	(20,116)	(20,406)	(20,781)
Payments to Employees	(19,580)	(19,626)	(20,356)	(21,026)	(21,806)	(22,674)	(23,634)	(24,659)	(25,722)	(26,834)	(28,047)	(29,315)	(31,044)	(32,429)	(33,865)	(35,291)
Other payments	(2,911)	(3,022)	(3,155)	(3,000)	(3,064)	(3,160)	(3,227)	(3,296)	(3,367)	(3,439)	(3,491)	(3,557)	(3,649)	(3,732)	(3,818)	(3,901)
Net cash from Operating	8,095	7,252	9,832	16,450	13,193	14,530	15,157	16,538	17,168	18,278	19,230	20,226	21,355	22,451	23,972	25,536
Investing																
Proceeds from sale of plant property & Equipment	1,468	1,334	654	676	556	574	776	738	759	1,065	879	894	909	925	941	958
Repayment of loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments for property, plant & equipment	(15,564)	(17,404)	(14,334)	(18,402)	(13,531)	(15,770)	(14,806)	(16,865)	(16,835)	(18,800)	(21,337)	(20,460)	(21,460)	(22,475)	(23,879)	(25,299)
Loan advances to community groups	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash from Investing	(14,096)	(16,070)	(13,680)	(17,726)	(12,975)	(15,196)	(14,120)	(16,117)	(16,080)	(17,715)	(20,458)	(19,566)	(20,551)	(21,550)	(22,338)	(24,341)
Financing																
Proceeds from borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of borrowings	(317)	(317)	(134)	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(24)	(24)	(4)	0	0	0	0	0	0	0	0	0	0	0	0	0
Trust Funds and deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash from Financing	(341)	(341)	(138)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash increase (decrease)	(6,351)	(9,159)	(3,986)	(1,276)	218	(666)	1,037	421	1,088	563	(1,228)	660	804	901	1,034	1,195
Cash at beginning	15,768	13,852	4,693	707	(569)	(351)	(1,017)	20	441	1,529	2,092	864	1,524	2,328	3,229	4,263
Cash at end	9,417	4,693	707	(569)	(351)	(1,017)	20	441	1,529	2,092	864	1,524	2,328	3,229	4,263	5,458

Key financial performance ratios and indicators 2012/13															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Current budget															
Financial performance															
Underlying result	-8.49%	4.67%	3.31%	0.23%	1.07%	0.98%	1.51%	1.36%	0.98%	1.24%	0.68%	0.96%	0.38%	1.26%	0.88%
Underlying Working Capital	0.77	0.72	0.55	0.52	0.40	0.44	0.42	0.46	0.45	0.26	0.25	0.24	0.23	0.23	0.25
Funding capacity															
Self-financing	12.77%	18.46%	29.71%	24.71%	25.82%	26.02%	27.04%	27.07%	28.25%	27.80%	28.07%	28.42%	28.65%	29.31%	29.96%
Sustainability Index	136%	117%	162%	114%	129%	108%	112%	104%	103%	124%	107%	107%	104%	106%	104%
Borrowing capacity															
Indebtedness	0.73%	0.85%	0.95%	1.03%	1.11%	1.19%	1.26%	1.33%	1.40%	1.47%	1.54%	1.59%	1.65%	1.69%	1.74%
Total Debt as a % of Rate revenue	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt servicing costs as a % of Total revenue	0.04%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
2011/12 Original Budget															
Financial performance															
Underlying result	-4.34%	5.27%	3.80%	1.67%	2.59%	2.74%	3.22%	3.06%	-0.87%	2.83%	2.16%	2.03%	1.13%	1.72%	1.49%
Underlying Working Capital	1.52	1.64	1.46	1.59	1.48	1.62	1.68	1.82	1.58	1.42	1.48	1.51	1.52	1.52	1.57
Funding capacity															
Self-financing	15.65%	27.11%	28.87%	24.83%	25.95%	26.21%	27.23%	27.26%	25.59%	27.91%	28.13%	28.19%	28.17%	28.79%	29.64%
Sustainability Index	112%	118%	157%	107%	132%	111%	115%	106%	105%	127%	110%	110%	106%	108%	106%
Borrowing capacity															
Indebtedness	1.22%	1.33%	1.39%	1.46%	1.51%	2.03%	2.51%	2.96%	3.35%	3.74%	4.08%	4.38%	4.67%	4.92%	5.14%
Total Debt as a % of Rate revenue	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt servicing costs as a % of Total revenue	0.05%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

E.2 VENUS BAY & WALKERVILLE KERBSIDE SERVICES

Community Services Directorate

EXECUTIVE SUMMARY

In October 2011 a survey was undertaken of property owners in Venus Bay and Walkerville to determine the support for the introduction of a user pays kerbside garbage and recycling collection service.

At a Council Briefing on 16 May 2012, Council indicated a desire to increase service levels through an optional kerbside garbage and recycling collection services for properties in Venus Bay and Walkerville. Prices for the optional service were sought when the Kerbside Garbage and Recycling Collection Service was retendered.

This report recommends that optional kerbside garbage and recycling collection services be offered to the residents of Venus Bay and Walkerville from February 2013.

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Waste Management Strategy

Contract Number 13/08 – Provision of Kerbside Garbage and Recycling Collection Services

COUNCIL PLAN

Strategic Goal:	2.0	A Sustainable Environment
Outcome:	2.3	Natural Resource Management
	2.5	Resource Efficiency
Strategy No:	2.3.1,	Environmental action and awareness,
	2.5.1,	Capacity building, Greenhouse gas
	2.5.2, 2.5.4	emissions and Waste management

CONSULTATION

During the consultation process for the development of Council's Waste Management Strategy, comments were received relating to the potential expansion of kerbside services to Venus Bay and Walkerville.

A survey was subsequently undertaken of property owners in Venus Bay and Walkerville to determine the support for the introduction of a user pays kerbside garbage and recycling collection service.

REPORT

Background

Kerbside garbage and recycling collection services are not currently provided in Venus Bay or Walkerville. Transfer stations in both localities provide facilities for residents to dispose of their household waste and recycling.

As a result of the consultation process an action was incorporated into Council's Waste Management Strategy to:

“Review the extension of the current kerbside service to Venus Bay and Walkerville. This will include a survey of the households in the area to ascertain the level of support for the introduction of a service.”

A survey was posted to all 1,750 property owners in Venus Bay and Walkerville to ascertain the level of interest for kerbside services and to ask the community their level of satisfaction with the current operating hours at their local transfer station.

Results of the survey were presented in a Council Briefing on 16 May 2012. Following the briefing, optional kerbside garbage and recycling collection services for properties in Venus Bay and Walkerville were included in the new Kerbside Garbage and Recycling Collection Service tender so a market price for delivering this service could be confirmed.

The contract provides for optional kerbside garbage and recycling collection services to be offered to residents of Venus Bay and Walkerville on either a full or half year basis.

Discussion

The following summarises the key outcomes of the 977 responses to the survey:

Walkerville

- Overall, only 15% of all property owners that responded to the survey would like a kerbside service.
- Of the permanent residents, only 10% (3 properties) would like a service.
- 76% of all property owners were satisfied with the current operating hours at the Walkerville transfer station.

Venus Bay

- Overall, 31% of all property owners in Venus Bay that responded to the survey would like to see a kerbside waste and recycling collection service introduced.
- Of the permanent residents, 53% (92 properties) in Venus Bay would like a kerbside service introduced.
- 80% of all property owners were satisfied with the current operating hours at the Venus Bay transfer station

The survey responses indicate that there is a reasonable level of support for the introduction of optional kerbside services in Venus Bay.

If Council elects to introduce the proposed optional service to Venus Bay and/or Walkerville, residents would be posted information about the service in December. This mail out would include a service request form to be returned by residents opting to receive a service. Residents would be able to request a service at any time by notifying Council.

Council's new kerbside collection service contract commences on 1 February 2013. Optional services could be offered from the date of commencement of the new contract.

Options

Council can resolve to either:

- not provide kerbside collection services to either Venus Bay or Walkerville; or
- provide optional kerbside collection services to either or both localities.

Proposal

It is proposed that optional kerbside waste and recycling collection services be offered to the residents of Venus Bay and Walkerville on the basis of full cost recovery. The proposed service would offer residents a choice of either a full year service or a half year service to be provided from November to April each year, which would include the traditionally busy periods of the Melbourne Cup weekend and Easter.

FINANCIAL CONSIDERATIONS

If Council elected to introduce new optional kerbside garbage and recycling services to Venus Bay and Walkerville, the fee payable by participating residents would be based on recovering all associated costs.

Due to the travel distances involved in servicing these locations and relatively few properties to spread transport costs, the price per property is higher than for properties in the existing kerbside service area.

Historically the annual garbage charge paid by properties receiving a kerbside service has been made up of approximately 57% direct contract costs associated with collecting garbage and recycling and 43% associated with other costs such as landfill operations, street sweeping and litter bin collections.

Based on this methodology and using the service rates provided in the kerbside collection tender, the estimated annual garbage charges for the provision of full year garbage and recycling collection services in 2012/13 are detailed in the following table.

Service Detail (Full Year)	Estimated Garbage Charge
Venus Bay	\$227.26
Walkerville	\$262.08
Sandy Point	\$224.35
Waratah Bay	\$232.98
Standard Service Areas	\$210.10
Walkerville (Half Year)	\$148.17
Venus Bay (Half Year)	\$127.36

Until the budget preparation process for 2012/13 is undertaken and the annual garbage charge calculated, these rates should be considered as estimates only.

RISK FACTORS

As the proposed service would be delivered on a full cost recovery basis there are no identified financial risks.

The towns of Venus Bay and Tarwin Lower experience high levels of dumped household waste, particularly in and around public litter bins. Although the volume of material dumped is higher during busy holiday periods, the problem is a year round issue.

By providing residents with the option of a kerbside collection service it is anticipated that incidences of household waste dumping in and around street litter bins will decrease.

Due to the optional nature of the proposed services and associated charges, there is the potential for negative reaction from residents in areas where garbage charges are applied on a compulsory basis.

CONCLUSION

It is recommended that optional kerbside garbage and recycling collection services be offered to the residents of Venus Bay and Walkerville from 1 February 2013. The service will provide residents with the choice to receive either a full or half year service, or to elect to not use the service. It is proposed that transfer station operating hours at Walkerville and Venus Bay will remain at their current level.

RECOMMENDATION

That Council:

1. Introduce an optional user pays Kerbside Garbage and Recycling Collection Service to the residents of Venus Bay and Walkerville provided on the basis of full cost recovery from 1 February 2013. Service options include a 12 month service, a 6 month service or no service at all; and
2. Maintain transfer station operating hours at Walkerville and Venus Bay at their current level.

MOVED: Cr Kennedy

SECONDED: Cr Davies

THAT COUNCIL:

1. **INTRODUCE AN OPTIONAL USER PAYS KERBSIDE GARBAGE AND RECYCLING COLLECTION SERVICE TO THE RESIDENTS OF VENUS BAY AND WALKERVILLE PROVIDED ON THE BASIS OF FULL COST RECOVERY FROM 1 FEBRUARY 2013. SERVICE OPTIONS INCLUDE A 12 MONTH SERVICE, A 6 MONTH SERVICE OR NO SERVICE AT ALL; AND**
2. **MAINTAIN TRANSFER STATION OPERATING HOURS AT WALKERVILLE AND VENUS BAY AT THEIR CURRENT LEVEL.**

CARRIED UNANIMOUSLY

E.3 ADVANCING COUNTRY TOWNS- BLACK SPUR SECTION OF THE GREAT SOUTHERN RAIL TRAIL-TRESTLE BRIDGES STUDY

Community Services Directorate

EXECUTIVE SUMMARY

Council has been invited to apply for \$30,000 from the Putting Locals First Program administered by Department of Planning and Community Development to conduct a viability study into using the existing trestle bridges at the Black Spur section of the Great Southern Rail Trail.

To secure this funding Council needs to match this offer by 1:3 and allocate \$10,000 for a total project cost of \$40,000.

This funding would be sourced from the Sport and Recreation Reserve Fund.

Document pertaining to this Council Report

- **Attachment 1** – Economic Impact Study

COUNCIL PLAN

Strategic Goal:	3.0	A Strong Economy
Outcome:	3.1	Economic Development
Strategy No:	3.1.4	Tourism

CONSULTATION

This project has been identified by the Advancing Country Towns project as a strategic investment for the Tarwin Valley.

Consultation has occurred with Department of Sustainability and Environment, Committee of Management Great Southern Rail Trail and Department of Planning and Community Development.

Community consultation over many years has identified the break in the trail and the resultant need for walkers and riders to join the South Gippsland Highway as hazardous and a disincentive to use the trail.

REPORT

BACKGROUND

In response to community requests the Victorian Government had the abandoned railway lands of the Great Southern Railway converted to crown land in 1999. Over the period 2000 to 2005 the Great Southern Rail Trail was constructed. The current length of the trail is 49 kilometres from Leongatha to Foster. A recent announcement to extend the trail a further 41 kilometres to Alberton has been made by the Minister for Regional Development and the Mayors of South Gippsland Shire Council and Wellington Council.

There is an unmade 2.6 kilometre section of the trail from Koonwarra to Minns Road known as the Black Spur. This section contains three trestle bridges.

The Advancing Country Towns (ACT) Lower Tarwin District Project has endorsed a project initiative to build the Black Spur section of the Great Southern Rail Trail and by doing so capture the economic and social benefits outlined in a report commissioned by SGSC in 2011 by consultants SGS Economics and Planning. The Great Southern Rail Trail Infrastructure Report estimates the cost to replace the existing trestle bridges with new steel bridges at \$2,381,160. The estimated annual benefit of this project is \$1,965,079, giving a payback period of 1.2 years.

The proposed Black Spur section incorporates a 2.6km length of pathway between Meeniyan and Koonwarra which is north of Foster in South Gippsland. Currently, Rail Trail users have to exit the trail at Koonwarra and travel along busy sections of the main highway and re-enter the Trail at Meeniyan.

DISCUSSION

The unmade Black Spur section of the Great Southern Rail Trail creates a gap in the potential of the trail. It means users of the trail starting in Leongatha do not proceed past Koonwarra and trail users from the east do not make it into Koonwarra or Leongatha. Various community groups including Bicycle Victoria publicise the absence of the link on websites and in newsletters.

Some intrepid users ignore the warnings and travel on the unmade section anyway. Some riders and walkers use the South Gippsland Highway yet it is unsuitable for users other than the very fit and capable and definitely not suitable for children. Potential trail users from Melbourne and other parts of Gippsland select other trails for weekend ventures and the trail is therefore not meeting its potential to be a major tourist drawcard and economic driver for the district.

The South Gippsland Shire Council has prepared a comprehensive engineering report including costs to complete this section. The high end estimate of costs is \$2,381,160. SGS Economics and Planning has completed an economic impact study that shows additional annual visitor expenditure and benefit to the district flowing from completing this section to be \$1,965,079 per annum (**Attachment 1**). This creates a payback period of 1.2 years for an asset life of 20 years.

Completing this section will create a more diverse and growing economy for the district. Tourism actively surrounds the district with major regional tourism attractions in Inverloch on the west of the district, Wilson's Promontory and Corner Inlet to the south and the Southern Alps to the north. The achievement of this initiative will incentivise private investment in accommodation and services to meet increased visitor activity and increase the sustainability and profitability of existing business in the district.

PROPOSAL

The proposal is to allocate \$10,000 from the Sport and Recreation Reserve Fund and use this to secure \$30,000 from the Putting Locals First Program. These funds will be used to test the structural integrity of the 20 worst trestles at the Black Spur Section of the Great Southern Rail Trail.

The study will investigate the structural integrity of the main supporting wooden trestle elements of three bridges on the proposed Black Spur section of the Great Southern Rail Trail (GSRT) and include the design of any necessary remedial works to the bridge for use on a rail trail. The trestles to be tested are the most uncertain in terms of structural useability relative to the others. The project is to test the engineering design of upgrading this bridge to see if it is feasible. If it is feasible to use those trestles, it follows that the others will be suitable.

If the study shows that this bridge can be remediated then the project to complete the Black Spur section of the GSRT will be able to proceed without the expense of building new steel bridges potentially saving up to \$1M in construction costs.

This integrity testing will confirm or otherwise that these bridges can be cleared of ballast and re-decked to complete this section of the GSRT.

FINANCIAL CONSIDERATIONS

There is an allocation of \$83,000 within the Sport and Recreation Reserve Fund for 2012/13. Taking into account other known financial commitments, there is sufficient balance in this fund to cover this cost allocation.

An allocation of \$10,000 to attract an investment of \$30,000 from Putting Locals First Program will enable this project to proceed and potentially save up to \$1M in construction costs.

RISK FACTORS

The risk to this project is that the trestles will be found to be unsuitable for reuse.

RECOMMENDATION

That Council:

1. Approve the allocation of \$10,000 from the Sport and Recreation Reserve Fund to match a grant of \$30,000 from the Putting Locals First Program; and
2. Use the funds to investigate the structural integrity and potential reuse of the existing trestles at the Black Spur section of the Great Southern Rail Trail.

MOVED: Cr Davies

SECONDED: Cr Fawcett

THAT COUNCIL:

- 1. APPROVE THE ALLOCATION OF \$10,000 FROM THE SPORT AND RECREATION RESERVE FUND TO MATCH A GRANT OF \$30,000 FROM THE PUTTING LOCALS FIRST PROGRAM; AND**
- 2. USE THE FUNDS TO INVESTIGATE THE STRUCTURAL INTEGRITY AND POTENTIAL REUSE OF THE EXISTING TRESTLES AT THE BLACK SPUR SECTION OF THE GREAT SOUTHERN RAIL TRAIL.**

CARRIED UNANIMOUSLY

Attachment 1
Economic Impact Study

Table 7 Regional Economic Stimuli – Great Southern Rail Trail

Source of Stimulus	Initial
Construction Phase	
Total Economic Stimulus from Construction (3 Year Period)	
Output	\$ 2,906,000
Operating Phase	
Annual Economic Stimulus from Increased Visitor Expenditure	
Output (Tourism)	\$ 3,107,177
Construction Phase - Missing Section	
Additional Economic Stimulus from Construction (4 Year Period)	
Output	\$ 2,381,860
Operating Phase - Missing Section	
Annual Economic Stimulus from Increased Visitor Expenditure	
Output (Tourism)	\$ 1,965,079

E.4 COUNCIL MEETINGS TIMETABLE 2013

Corporate Services Directorate

EXECUTIVE SUMMARY

Council holds Ordinary Meetings of Council at which the general business of Council may be transacted. The dates and times of these meetings are usually set by Council in December each year.

LEGISLATIVE/ ACTION PLANS/ STRATEGIES/ POLICIES

Local Government Act 1989 - Sections 83, 84 and 89

Local Law No.3 2010 Processes for Municipal Government (Meeting Procedure and Common Seal) – Clause 8

COUNCIL PLAN

Strategic Goal:	5.0	A Leading Organisation
Outcome:	5.1	Good Governance
Strategy No.:	5.1.3	Community engagement

REPORT

Background

Council is required by Local Law No.3 2010 (Clause 8) to fix the time, date and place of all Council Meetings and provide reasonable notice to the public.

It is proposed to hold the first Council Meeting for 2013 on Wednesday 27 February 2013 and then held on the fourth Wednesday of each month for the remainder of the year excluding December, where the meeting will be held on the third Wednesday. The scheduled meetings will commence at 2pm and be held in the Council Chambers, Leongatha.

Council business will continue unimpeded throughout January 2013 given the extensive delegations already provided to the Chief Executive Officer and the right of the Mayor or three Councillors to call a Meeting of Council if a situation emerged that warranted a Special Meeting.

Having a break over January 2013 is a traditional practice at Council and provides an opportunity for Councillors and staff to spend time with their families and participate in community activities over the holiday period. It should be noted that other local government authorities also undertake this practice.

Conclusion

It is recommended that the Ordinary Council Meetings for 2013 be scheduled as detailed in the Recommendation below.

CONSULTATION

Council undertook a six month trial and evaluation of the Briefing / Council Meeting cycle in 2010. The current cycle was decided upon with consideration of feedback from this trial. The community continue to respond positively to the 2pm Council meetings.

FINANCIAL CONSIDERATIONS

No financial considerations.

RISK FACTORS

The timely determination of Council Meeting dates ensures the smooth transaction of Council business.

RECOMMENDATION

That Council:

1. Set the Ordinary Council Meetings in 2013 to be held in the Council Chambers, Leongatha on the following dates and times:
 - a. 27 February 2013, 2pm
 - b. 27 March 2013, 2pm
 - c. 24 April 2013, 2pm
 - d. 22 May 2013, 2pm
 - e. 26 June 2013, 2pm
 - f. 24 July 2013, 2pm
 - g. 28 August 2013, 2pm
 - h. 25 September 2013, 2pm
 - i. 23 October 2013, 2pm
 - j. 27 November 2013, 2pm
 - k. 18 December 2013, 2pm

2. Endorse the Chief Executive Officer to approve the change of meeting location should a meeting location warrant amendment, due to character of business, or availability of the Council Chambers, and provide reasonable notice to the public via local newspapers and Council's website.

MOVED: Cr Hutchinson-Brooks SECONDED: Cr Hill

THAT COUNCIL:

- 1. SET THE ORDINARY COUNCIL MEETINGS IN 2013 TO BE HELD IN THE COUNCIL CHAMBERS, LEONGATHA ON THE FOLLOWING DATES AND TIMES:**
 - a. 27 FEBRUARY 2013, 2PM**
 - b. 27 MARCH 2013, 2PM**
 - c. 24 APRIL 2013, 2PM**
 - d. 22 MAY 2013, 2PM**
 - e. 26 JUNE 2013, 2PM**
 - f. 24 JULY 2013, 2PM**
 - g. 28 AUGUST 2013, 2PM**
 - h. 25 SEPTEMBER 2013, 2PM**
 - i. 23 OCTOBER 2013, 2PM**
 - j. 27 NOVEMBER 2013, 2PM**
 - k. 18 DECEMBER 2013, 2PM**

- 2. ENDORSE THE CHIEF EXECUTIVE OFFICER TO APPROVE THE CHANGE OF MEETING LOCATION SHOULD A MEETING LOCATION WARRANT AMENDMENT, DUE TO CHARACTER OF BUSINESS, OR AVAILABILITY OF THE COUNCIL CHAMBERS, AND PROVIDE REASONABLE NOTICE TO THE PUBLIC VIA LOCAL NEWSPAPERS AND COUNCIL'S WEBSITE.**

CARRIED

For: Crs Hutchinson-Brooks, Fawcett, Harding, Kennedy, Brunt, Davies, McEwen and Hill.

Against: Cr Newton

MOVED: Cr Hutchinson-Brooks SECONDED: Cr Hill

THAT THE RECOMMENDATIONS IN ITEMS E.5 AND E.6 BE ADOPTED.

CARRIED UNANIMOUSLY

E.5 PLANNING SCHEME AMENDMENT C80 - SAFE, HEALTHY, ACTIVE COMMUNITIES

Development Directorate

EXECUTIVE SUMMARY

Planning Scheme Amendment C80 - Safe Healthy Active Communities (SHAC) adds the Infrastructure Design Manual (IDM), Healthy by Design (HBD)2004 and the National Broadband Network Interim Specifications as Reference Documents to the South Gippsland Planning Scheme (Planning Scheme).

C80 also adds two schedules to the Planning Scheme. One schedule enables assessment of infrastructure provision for planning permit development applications, allocating contributions and responsibilities between developers and Council. The other schedule formalises Public Open Space (POS) contributions at Clause 52.

C80 clarifies Council's expectations so that development application decisions are made in a consistent, transparent and efficient manner, giving developers greater certainty, opportunity for faster decisions while simultaneously improving resources for the community. It is also part of continual improvement to the South Gippsland Planning Scheme.

Documents pertaining to this Council Report

- **Attachment 1**
 - Clause 56.09-1 Shared trenching objectives
 - Clause 56.09-2 Electricity, telecommunications and gas objectives
- **Attachment 2** - MSS Clause 22.11 "Interim Telecommunications Conduit Policy"
- **Attachment 3** - Schedule to Clause 52.01, "Public Open Space Contribution and Subdivision"
- **Appendix 1**- Infrastructure Design Manual
- **Appendix 2** - Healthy by Design 2004

A copy of the **Appendix 1 and 2** is available on Council's website: www.southgippsland.vic.gov.au or by contacting 5662 9200.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

- Subdivision Act 1988
- Planning and Environment Act 1987
- Healthy By Design 2004 (Heart Foundation)

- National Broadband Network Design Specifications
- Local Government Act 1989
- South Gippsland Planning Scheme

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Infrastructure Design Manual (adopted March 2010)
- South Gippsland Open Space Strategy 2007
- Recreation Plan 2007
- Paths and Trails Strategy 2010

COUNCIL PLAN

HBD

Strategic Goal:	1.0	A Vibrant, Engaged Community
Outcome:	1.2	Health and Well Being
Strategy No:	1.2.1	Active lifestyles

POS

Strategic Goal:	2.0	A Sustainable Environment
Outcome:	2.4	Open Spaces
Strategy No:	2.4.1	Planning and design

NBN

Strategic Goal:	3.0	A strong economy
Outcome:	3.3	Infrastructure
Strategy No:	3.3.3	Utilities
	3.3.4	Land use planning

The IDM

Strategic Goal:	4.0	Appropriate Infrastructure
Outcome:	4.1	Roads, Streets, Bridges, Drainage & other Associated Infrastructure
Strategy No:	4.1.1	Infrastructure design

COUNCIL ANNUAL PLAN 2012-2013

Strategic Goal:	3.3.1	Accessible networks
Action:		Advocate to improve National Broadband Network access to more areas throughout the Shire
Measure/Target:		Advocacy activities and outcomes reported quarterly in Council's performance report
Strategic Goal:	3.3.3	Utilities:
Action:		Telecommunication infrastructure land use policies developed
Measure/Target:		By 30 June 2013

1. Infrastructure Design Manual (IDM) (Appendix 1)

CONSULTATION

Discussions with representatives from neighbouring Baw Baw Shire Council, the IDM Group and developers have determined this approach.

Internally, consultation has been undertaken with the Engineering team as they are directly affected by the status of the IDM in the planning system.

REPORT

Background

Council adopted the IDM on 17 March 2010 and is part of the 35 regional Councils 'IDM Administrative Group' who have adopted the IDM. The Department of Planning and Community Development (DPCD) has also been involved in the formulation of the IDM. The IDM's main benefits are:

1. Consistency of design requirements across municipalities
2. Greater certainty for developers;
3. Reduced assessment timeframes
4. A consistent approach across multiple Councils should the design requirements be challenged at Victorian Civil and Administrative Tribunal (VCAT);
5. Sharing of ideas and practices stimulates adoption of best practices; and

6. Sharing resources produces a quality document at a lower cost per municipality;

Discussion

Including the IDM in the Planning Scheme will provide a clear, standard and comprehensive way of communicating Council's minimum infrastructure requirements to developers. It's inclusion is in line with Victorian Planning Provision Practice Note 13 "Incorporated and Reference Documents" (August 2000).

The IDM is regularly updated by the IDM Group. The combined effect of the 35 adoptive member Councils suggests that should it be challenged in VCAT, updates are defensible through consistency across the state. The IDM may still be challenged in VCAT on a case by case basis but Council is able to defend its decisions on the grounds that:

1. The Planning Environment Act 1987 (s62) gives the Council (as the Responsible Authority) the power to place conditions on a planning permit that include provision of infrastructure and who pays for that infrastructure; and
2. Councils have the right to specify the standards of the infrastructure that will be transferred to Council ownership.

There are some inconsistencies between the IDM and Clause 56 in the Planning Scheme but provisions addressed in Clause 56 are a minimum standard, they do not apply to every situation and may not be appropriate in all areas of Victoria.

The IDM has already been included as a Reference document to the Benalla Planning Scheme and the Greater Bendigo Planning Scheme.

Proposal

That Council seeks authorisation from the Minister for Planning to prepare an Amendment that includes referencing the IDM in the South Gippsland Planning Scheme.

FINANCIAL CONSIDERATIONS

If the Amendment attracts opposing submissions, the resulting Panel costs will be fully borne by Council.

RISK FACTORS

Referencing the IDM in the Planning Scheme will add strategic 'weight' to the IDM and minimise appeals to VCAT. While VCAT appeals will still occur, the defence of conditions by IDM adoptive Councils will be more consistent.

2. Healthy by Design (HBD) (Attachment 1)

CONSULTATION

Discussions were undertaken with the National Heart Foundation, Baw Baw and Bass Coast Shire Councils. The latter two referenced the HBD 2004 Guidelines in their respective Planning Schemes in 2008.

Internally, review and assessment of the revised Municipal Public Health and Wellbeing Plan sought shared goals when promoting a more active, engaged community.

REPORT

Background

Adding the Healthy by Design Guidelines (2004) to the Planning Scheme intends to stimulate participation in physical activity and social connection through improvements in design of new built environments. The Healthy by Design initiative was developed by the National Heart Foundation and directly guides continued facilities improvement within South Gippsland. HBD was developed to be consistent with Melbourne 2030.

Discussion

The Amendment will:

1. Raise awareness of the importance of healthy design principles;
2. Ensure planning decisions benefit the health and wellbeing of the community;
3. Encourage residents to increase their physical activity; and
4. Provide for the consideration of social impacts of developments, encouraging developments that support active participation by the community.

The South Gippsland Council Plan commits Council to improve the health and wellbeing of its community. HBD guides best practice design for environments that encourage physical activity, such as walking and cycling. The principles centre around opening access to local communities and neighbourhood areas, making town centres a community focal point.

Council policies align with this initiative including the Municipal Public Health Plan (2012) and the Paths and Trails Strategy (2010), which provide strategic direction to improve the social, natural, economic and built environments.

HBD is consistent with Council's strategic outlook to improve design and functionality of towns through existing planning projects such as the 'Housing and Settlement Strategy', the 'Western Districts Urban Design Frameworks' and the 'Korumburra Town Centre Framework Plan'.

The HBD as a reference document provides direction to both developer contributions and performance expectations for subdivision designs. Its inclusion in the Planning Scheme assists Council in implementing its policies through planning conditions, such as open space provision or Social Impact Assessment processes.

Baw Baw Shire Council has stated that referencing the HBD has yielded greater confidence and transparency for developers in planning and brought better outcomes for the community.

Proposal

That Council seeks authorisation from the Minister for Planning to prepare an Amendment that includes referencing HBD 2004 in the South Gippsland Planning Scheme.

3. National Broadband Network (NBN) Interim Specifications

CONSULTATION

Discussions have been held with NBN Co and Telstra about requirements for broadband telecommunications infrastructure in new developments. Cardinia Shire Council adopted a similar amendment in 2010 providing for NBN compliant infrastructure to be established in new subdivisions.

REPORT

Background

This new Clause seeks to minimise delay and disruption in connecting optic fibre broadband to new subdivisions by addressing a policy 'gap' in National Broadband Network (NBN) legislation.

NBN Co. operates under the Telecommunications Act 1997 and the related Telecommunications (Low-impact Facilities) Determination 1997 (LIFD 1997). NBN Co. policy states that broadband infrastructure will be provided to new subdivisions with 100 or more lots. Subdivisions of up to 99 lots do not automatically qualify for NBN assistance and are required to follow requirements from the relevant standard (23) in Clause 56.09-2 "Electricity, telecommunications and gas objectives" of the Planning Scheme.

This is strongly aligned with Clause 56.09-1 "Shared trenching objectives" (Attachment 4) to enable an efficient installation of infrastructure.

Discussion

There is no clear direction for developers to install NBN compliant infrastructure to subdivisions under 100 lots. They are required to conform to the relevant telecommunication company's (Telco) infrastructure demand but this may be different to that required by NBN Co.

Council does not often receive '100 lot plus' subdivision requests and consequently, if non-NBN compliant telecommunications equipment is installed, when NBN fibre-to-the-premises is scheduled to arrive, installed infrastructure may to be removed for replacement in a relatively new development.

To go some way to future-proofing new residences, it is proposed to require all new developments to conform with the infrastructure requirements issued by NBN Co. It is proposed a new sub-Clause 22.11 'Interim Telecommunications Conduit Policy' (**Attachment 2**) is introduced as an interim measure until the provision of broadband telecommunication services to new subdivisions is legislated for and implemented by the Federal Government.

Proposal

That Council seeks authorisation from the Minister for Planning to prepare an Amendment including a new Clause 22.11 'Interim Telecommunications Conduit Policy' in the South Gippsland Planning Scheme.

Financial Considerations

There is no significant cost to Council in implementing this Amendment.

There is some concern that the Amendment raises the cost of infrastructure installation but if this cost is included at the design of the subdivision, then it will be cheaper than the removal and replacement of the original lines.

Risk Factors

No risk factors

4. Public Open Space (POS) Contributions

CONSULTATION

Review of similar Amendments prepared by five other Councils - Moonee Valley, Moreland, Yarra, Ballarat and Whitehorse.

REPORT

Background

This section of C80 adds the "South Gippsland Open Space Strategy 2007" and the "Paths and Trails Strategy 2010" as Reference Documents into the Planning Scheme and adds a Schedule to Clause 52.01, "Public Open Space Contribution and Subdivision" (Attachment 4) detailing the requirements for contributions from developers.

The "South Gippsland Open Space Strategy 2007" establishes the purposes and hierarchy required for future open space needs. This analysis identified where new open space would be required and the strategic work to match existing and future open space needs of the community. The "Paths and Trails Strategy 2010" establishes how money scheduled for infrastructure provision is to be spent. To ensure the supply of recreational activities is logical, the strategy indicates where and how specific infrastructure is to be provided.

The Schedule uses the "South Gippsland Open Space Strategy 2007" to identify areas where a land contribution is preferred over a cash contribution. It requires use of the strategy in determining amounts of open space contribution, as standardised amounts have proven ineffective.

Demand for POS in urban areas of South Gippsland Shire is growing due to continued development pressures and expected growth forecast over the next 20 years. Since POS contributions have not been formally established beyond the guidelines of the Subdivision Act 1988, there appears to be a lack of consistency and transparency for POS negotiations between Council and developers. This results in planning appeals about POS contribution decisions. The Shire's increasing urban expansion and population means that clarity for definition and contribution of adequate POS in the Shire's town is a high priority.

Contributions to open space from developers can be added to funding from other sources such as grants, so Council can provide quality and relevant POS for the community. The Schedule to Clause 52.01 of the Planning Scheme is the appropriate place to specify the required open space contribution.

Discussion

The "South Gippsland Open Space Strategy 2007" sets clear objectives in the acquisition of new open space and emphasises the preference for cash-in-lieu payments wherever new space is not required.

If there is no identification of a need for more land within a new subdivision development, Council will require a cash-in lieu contribution to support Council's key priorities as identified in either the Open Space Strategy or Recreation Strategy. This requirement must be supported in the Schedule to Clause 52.01 of the South Gippsland Planning Scheme.

In a landmark (red dot) VCAT decision (*Stupak v Hobsons Bay CC 2011*), Deputy President Gibson made the following points:

1. Councils have an obligation to ensure adequate POS. As communities evolve, it is incumbent on Councils to maintain, improve, upgrade and add to POS facilities as a means of meeting the social needs and changing demands for passive and active open space.
2. Every additional new resident puts pressure on the use of POS.
3. POS contributions are a means by which Councils can collect money to help pay for the acquisition and upgrading of POS land and facilities for the benefit of the community.
4. Exercising discretion in each case leads to inconsistencies that may potentially be inequitable. A sliding scale of contribution is preferable providing it is consistent and transparent.
5. The current practice of nominating 5% rate of contribution is derived from the Subdivision Act 1988 as a maximum contribution allowed if any other amount is not specified in policy or the Planning Scheme.
6. Larger subdivisions should expect a minimum of 5% and if a greater percentage is seen as suitable by the Council, it should be negotiated based on the number of people to be housed or the facilities to be provided.
7. POS should not be funded purely by its proximity to a development. When negotiating contributions for a new development, the overall pressure on all of the open space must be considered.
8. Greater percentage contributions to open space may also be sought dependent on the size and quality of the area to be provided. New neighbourhoods can capture open space opportunities within communities as they change.

During an independent Panel convening on Moreland City Council Amendment C85, Chairperson Carew recognised "that there is no official methodology for developing or considering a proposed Schedule to Clause 52.01. However, it has reviewed other Panel reports which have faced this task. A number of these reports including Whitehorse C99 and Manningham C30/33 followed the approach of the Panel in Glen Eira C20."

The equitable distribution of the cost of POS has been considered in other reports, especially where there is a perceived shortage of POS available for residents. South Gippsland Shire does not generally have this perception and supply of land is primarily for residents settling in greenfield subdivisions. For that reason, it is expected that developers on sites which are not exempted from contribution under the Subdivision Act 2007 shoulder the full burden of new POS provision.

Smaller 'infill' land subdivisions that have already been subject to a POS contribution at the time of the original subdivision from larger lots are not subject to POS contributions again. The contribution would be collected prior to Council issuing the Statement of Compliance, which is the final stage of the subdivision process prior to title generation.

Council should ensure that it receives a level of POS contribution by proceeding with a Schedule to the Planning Scheme that sets a minimum contribution of five per cent of land value with no maximum amount. It is acknowledged that the small intensification that comes from 'dual occupancy' or 'subdividing the garden off' by individual dwelling owners does not add the same level of pressure to create new POS as does greenfield development. As a result it is proposed that two lot subdivisions will be required to contribute 2%.

Proposal

That Council seeks authorisation from the Minister for Planning to prepare an Amendment that includes addition of a Schedule to Clause 52.01 regarding POS contributions and add the South Gippsland Open Space Strategy 2007 (as amended) and the Paths and Trails Strategy 2010 as Reference Documents in the South Gippsland Planning Scheme.

FINANCIAL CONSIDERATIONS

The proposed 5% contribution will serve to provide enhanced POS in new subdivision areas and improved centralised recreation facilities.

There will be some officer time required through the negotiation process but this will be balanced through saving of review time in Planning Permit Applications if the amount is clearly stated and justified in the Planning Scheme.

RISK FACTORS

That the amounts required through this option will not match the response required for adequate management of any new areas of open space.

CONCLUSION

Amendment C80 contributes to the ongoing improvement of the South Gippsland Planning Scheme. It focuses on the provisions of improvement to infrastructure in a manner that simultaneously benefits Council, the community and developers.

The IDM sets clear expectations of the built environment, Healthy by Design determines intentions supporting healthy activity, the NBN ensures a commonsense level of future proofing during construction and the POS requirement clarifies the amount a developer can expect to contribute to the community.

The proposed changes support Council policies. The practicality and benefits of such amendments have been tested by other municipalities including neighbouring Shires. The elements will combine to improve the overall quality of building, design and community experience in South Gippsland.

RECOMMENDATION

That Council:

- 1. Seek authorisation from the Minister for Planning to prepare Planning Scheme Amendment C80 - Safe, Healthy and Active Communities; and**
- 2. Request the Minister for Planning to convene a Planning Panel to hear any objections to Amendment C80 that cannot be mediated.**

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion, refer to page 48.

Attachment 1

56.09 UTILITIES

15/09/2008
VC49

55.09-1 Shared trenching objectives

09/10/2008
VC42

To maximise the opportunities for shared trenching.

To minimise constraints on landscaping within street reserves.

Standard C27

Reticulated services for water, gas, electricity and telecommunications should be provided in shared trenching to minimise construction costs and land allocation for underground services.

56.09-2 Electricity, telecommunications and gas objectives

09/10/2008
VC42

To provide public utilities to each lot in a timely, efficient and cost effective manner.

To reduce greenhouse gas emissions by supporting generation and use of electricity from renewable sources.

Standard C28

The electricity supply system must be designed in accordance with the requirements of the relevant electricity supply agency and be provided to the boundary of all lots in the subdivision to the satisfaction of the relevant electricity authority.

Arrangements that support the generation or use of renewable energy at a lot or neighbourhood level are encouraged.

The telecommunication system must be designed in accordance with the requirements of the relevant telecommunications servicing agency and should be consistent with any approved strategy, policy or plan for the provision of advanced telecommunications infrastructure, including fibre optic technology. The telecommunications system must be provided to the boundary of all lots in the subdivision to the satisfaction of the relevant telecommunications servicing authority.

Where available, the reticulated gas supply system must be designed in accordance with the requirements of the relevant gas supply agency and be provided to the boundary of all lots in the subdivision to the satisfaction of the relevant gas supply agency.

Attachment 2

22.11 INTERIM TELECOMMUNICATIONS CONDUIT POLICY

This policy applies where a permit is required for the subdivision of land.

Policy basis

The Federal Government has undertaken to provide broadband telecommunication access to 90% of the Australian population through the installation of optical fibre cables. Optical fibre provides increased data carrying capacity and will allow for faster access to multimedia services, larger data files and new telecommunication tools.

Providing underground conduit infrastructure for optical fibre cables in new subdivisions before the completion of development is efficient, cost effective and provides infrastructure ready to meet the needs of communities.

This policy is an interim measure until such time as the provision of broadband telecommunication service to new subdivisions is legislated for and implemented by the Federal Government.

Objective

To ensure the provision of a network of open access conduits for optical fibre cabling to facilitate broadband telecommunications services in a timely, efficient and cost effective manner.

Policy

It is policy that:

- New subdivisions are provided with open access underground conduits to carry optical fibre at the development stage. This may be waived if the responsible authority considers provision is unwarranted.
- All subdivision applications include a plan showing the conduit network for the subdivision, to the satisfaction of the responsible authority.
- Conduits be provided in accordance with a plan approved by the responsible authority.
- Subdivision permits include a condition requiring the conduit and associated infrastructure to be protected from damage to the satisfaction of the responsible authority.
- Ownership of a conduit will vest in Council, and may be transferred to another agency or a telecommunications carrier at a later date.
- Where a conduit crosses private land, an easement may be required in favour of Council.

Attachment 3 - Proposed Schedule to Clause 52.01

Type or location of subdivision	Amount of contribution for Public Open Space
All land subject to a two lot subdivision	A minimum of 2 per cent
All other land	5 per cent

E.6 ADOPTION OF LEONGATHA CBD PARKING STRATEGY

Development Services Directorate

EXECUTIVE SUMMARY

This report is to seek Council's adoption of the Leongatha Central Business District (CBD) Parking Strategy (the Strategy) and Council's authorisation to prepare an amendment to the South Gippsland Planning Scheme to give effect to the key recommendations of the Strategy, including the Parking Investment Fund (PIF).

Documents pertaining to this Council Report

- **Appendix 1** - Leongatha CBD Parking Strategy
- **Appendix 2** - Clause 52.06 Car Parking Provisions, South Gippsland Planning Scheme

A copy of the **Appendix 1 and 2** is available on Council's website: www.southgippsland.vic.gov.au or by contacting 5662 9200.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Planning and Environment Act 1987

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Nil

COUNCIL PLAN

Strategic Goal:	3	A strong economy
Outcome:	3.3	Infrastructure
Strategy No:	3.3.2	Transport
Strategic Goal:	3	A strong economy
Outcome:	3.3	Infrastructure
Strategy No:	3.3.4	Land-use planning

CONSULTATION

The strategy has been subject to consultation as follows:

1. Internal consultation

A Project Control Group (PCG) was formed at the commencement of this project with members comprising one councillor and staff. The PCG was consulted throughout the development of the Strategy, with input received at each stage of the process.

2. External consultation

The project commenced in February 2012 and following background investigations, consultation was undertaken as follows:

- March 2012 - Traffic parking survey was conducted within the study area; interviewing motorists and business owners. An additional mail out survey for businesses and residents within the study area was also conducted.
- May 2012 - Community survey for all residents in Leongatha was conducted online and by post.
- Four separate workshops were held on 30 May for:
 - The Project Control Group;
 - The Project Reference Group involving Council staff, Councillors, DPCD, VicRoads, Department of Transport, Leongatha Chamber of Commerce and Industry, Leongatha Progress Association, and VicTrack;
 - Residents in Leongatha;
 - Businesses in Leongatha

The outcomes of these surveys and workshops have informed the development of the strategy.

The draft Strategy was exhibited for 4 weeks from 3 September to 1 October 2012. During this period a community information session was held on 13 September 2012.

REPORT

Background

In late 2011, following feedback from the community on the perceived lack of parking in Leongatha, Council decided to conduct an analysis of the parking situation in Leongatha and produce a parking strategy to ensure sustainable parking supply. Consultants AECOM were appointed in March 2011.

Council and Regional Development Victoria have jointly funded this project.

In 2007/08 a combined traffic study for Korumburra and Leongatha, conducted by O'Brien Traffic, identified a number of solutions for a heavy vehicle alternative route, parking, and traffic management for Leongatha.

This Korumburra and Leongatha Traffic Study (2008) resulted in further investigation by VicRoads and Council on the proposal for a Leongatha Heavy Vehicle Alternative Route. In March 2012 VicRoads proceeded to a detailed design study for the route. The proposed Leongatha Heavy Vehicle

Alternate Route and how it will affect parking within Leongatha was a major consideration within this strategy.

At its 25 July 2012 meeting Council resolved to:

- Exhibit the document as prepared for 4 weeks; and
- Following the consultation period, direct a report be prepared on the adoption of the final strategy for consideration by Council.

Discussion

The Strategy (in **Appendix 1**) has been developed with a number of key recommendations:

- The major recommendation recommends that Council adopt a development contribution plan called a "Parking Investment Fund", to be given effect by a Parking Overlay in the Planning Scheme that applies a "Column B" rate to the Core Parking Area (see Figure 1 below) where parking for multiple destinations occur.
 - The overlay would specify a sliding scale financial contribution (Figure 2 and 3 below) from developments within the Core Parking Area that are not able to provide the on-site parking spaces required by the Planning Scheme (**Appendix 2**). Table 1 below shows examples of common land uses in Leongatha CBD and the relevant required rates of on-site parking provisions. Column B rates would apply to the Core Study Area, whilst Column A would apply to all other areas in the Shire.

Table 1: Rate of on-site parking provision requirement for popular land uses in Leongatha CBD (Source: clause 52.06 of the South Gippsland Planning Scheme)

Use	Column A Rate (Applied to all zones)	Column B rate (Applied to where specified in a schedule to the Parking Overlay)	Car Parking Measure
Supermarket	5	5	To each 100 sq m of leasable floor area
Shops*	4	3.5	To each 100 sq m of leasable floor area
Restricted Retail premises	3	2.5	To each 100 sq m of leasable floor area
Office	3.5	3	To each 100 sq m of net floor area
Hotel	0.4	3.5	To each patron permitted To each 100 sq m of leasable floor area
Warehouse	2 spaces minimum 1.5	2 spaces minimum 1	To each premises plus To each 100 sqm of net floor area

The sliding scale requires Council to provide the balance of costs not levied under the contribution scheme to provide the necessary parking in the core area of the CBD. As such there is a financial obligation to Council in making this commitment. However, this commitment has been based on the desire to ensure that cash-in-lieu contributions do not discourage investment and economic activity.

Contributions made to the fund will be reserved for expenditure only for the provision of new public parking facilities. This would include the purchase of land and construction for the provision of new public parking facilities

The required contribution will be adjusted annually from 1 July 2012 using Construction Industry Output Price Indices as the index.

Figure 1 Study Area and Core Parking Area

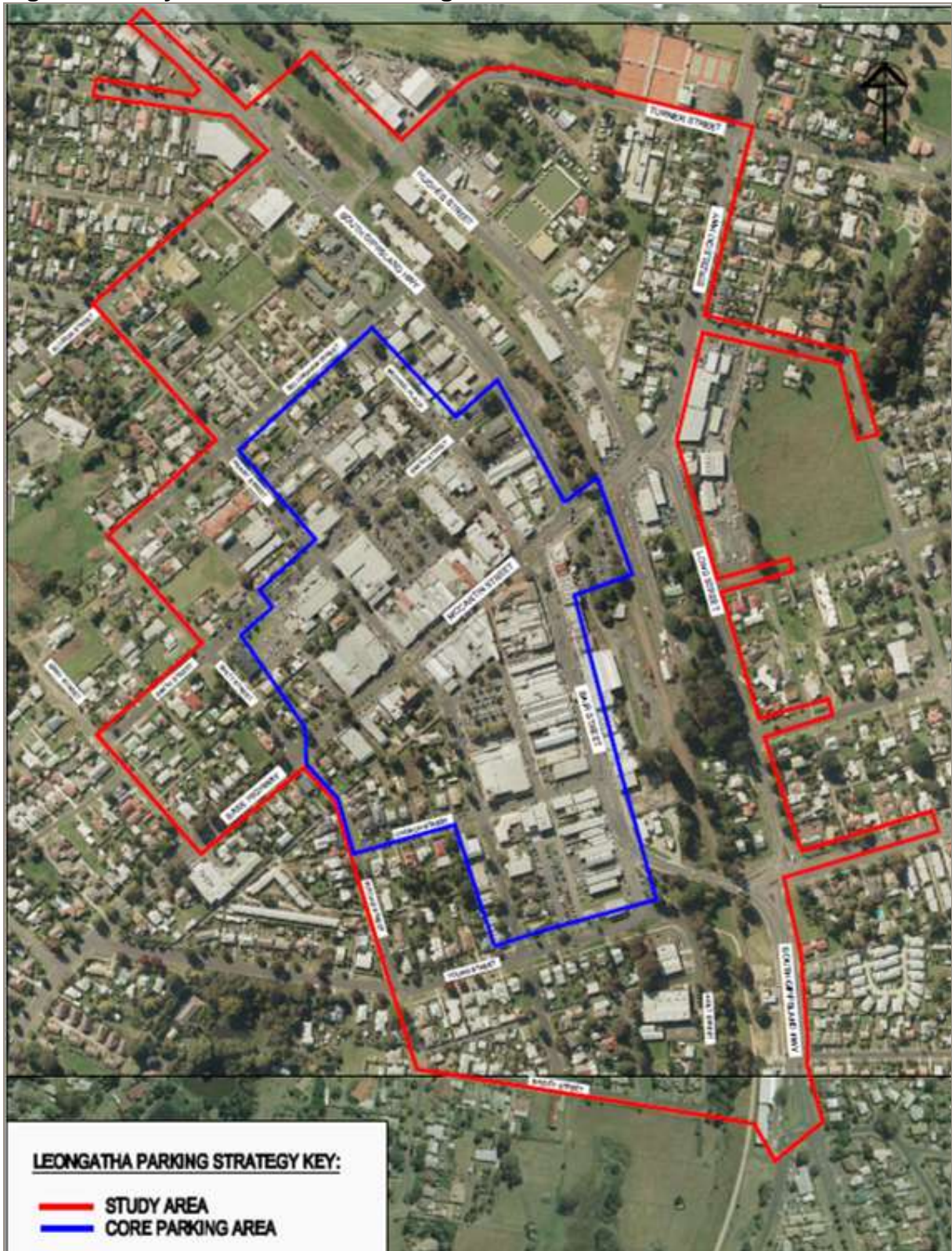


Figure 2: Apportionment of contribution towards payment for parking based on number of spaces provided on-site

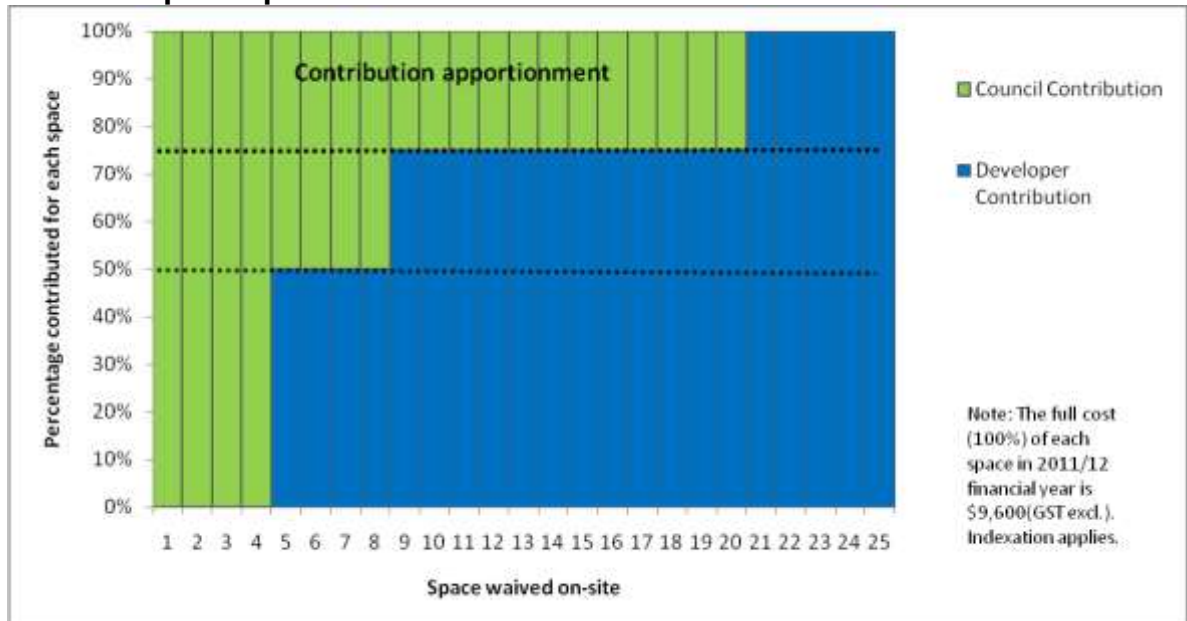


Figure 3: Description of apportionment of contribution towards payment for parking

Measurement	Apportionment of Contributions
1 to 4 parking spaces not provided by use:	No developer contribution is required. Council to pay 100% cost of parking space.
5 to 8 parking spaces not provided by use:	Developer required to contribute \$4,800 + GST (i.e. 50% of cost) per parking space Council to pay 50% of cost per parking space.
9 to 20 parking spaces not provided by use:	Developer required to contribute \$7,200 + GST (i.e. 75% cost) per parking space Council to pay 25% of cost per parking space.
Over 20 parking spaces not provided by use:	Developer required to contribute \$9,600 + GST (i.e. 100% of cost) per parking space

Other recommendations in the Strategy include:

- Management of existing on/of street parking: stronger parking enforcement, consideration of relocation of disabled parking spaces, better signage and lighting that will improve accessibility and social interaction;
- Review of locations for long vehicle and disabled parking, as well as measures to encourage use of alternative transport modes.

Proposal

It's proposed that Council adopts the Strategy and authorize officers to prepare the Planning Scheme Amendment.

FINANCIAL CONSIDERATIONS

Council maintains much of the car parking in the Leongatha CBD. The future provision of car parking has significant cost implications for Council and impacts on the amenity and viability of businesses. Through the Parking Investment Fund, the Strategy will create a framework for the apportionment of costs for car park construction as the town expands.

No funding has been allocated in the current or forward budgets for construction of car parks. Funding for future public car parks is not sought in the near term as the focus of this strategy is to equip Council with the ability to capture equitable contribution through land developments. Financial decisions over timing and sites for car park development can take place separately to this project.

In the meantime, recording of parking waivers will be kept to account for contributions from developments.

RISK FACTORS

This strategy will improve the long term vibrancy of the shopping environment within the CBD of Leongatha, by integrating considerations such as accessibility to all, viability of businesses, and Council resources.

The proposed PIF income will be monitored through dedicated financial account set up.

CONCLUSION

Given that the expected increase in population and intensified land uses in Leongatha over time are likely to have an impact on the supply of and demand for parking in the Leongatha CBD, the Strategy outlines measures to ensure long term sustainable parking solutions, with the Parking Investment Fund as a key part of the solution.

RECOMMENDATION

That Council:

1. Adopt the Leongatha CBD Parking Strategy;
2. Seek authorisation from the Minister for Planning to prepare a Planning Scheme Amendment to implement the Leongatha CBD Parking Strategy; and
3. Prepare and publicly exhibits a Planning Scheme Amendment that gives effect to this strategy.

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion, refer to page 48.

E.7 PLANNING PANEL REPORT - PLANNING SCHEME AMENDMENTS C70, C71, C52 AND C66

Development Services Directorate

EXECUTIVE SUMMARY

This report is to advise Council of the recommendations of the Planning Panel (Panel) Report (refer **Appendix 1**) received for Planning Scheme Amendments C70, C71, C52 and C66 in the township of Korumburra.

The amendments propose the following:

1. C70 introduces Korumburra Township planning provisions defining: the locations of the retail core and town centre; locations of new developments; a Framework Plan identifying future developments; future urban and rural growth areas; and strategies and principles guiding land release and development within the Korumburra Framework Plan.
2. C71 seeks to rezone a Council-owned site at 155-165 Commercial Street Korumburra from Public Use Zone 7 (PUZ 7) to Business 1 Zone (B1Z).
3. C52 & C66 seek to rezone 20ha and 73ha respectively from Farming Zone (FZ) to Residential 1 Zone (R1Z), remove the Environmental Significance Overlay Schedule 5 (Areas susceptible to erosion) from the land and apply a schedule to the Development Plan Overlay (DPO) to guide the future residential subdivision of the land.
4. It is recommended that Council adopt Planning Scheme Amendments C70 and C71 as recommended by the Panel.
5. For reasons of long term public interest, it is also recommended that Council seeks a 12-month extension of time to approve Planning Scheme Amendments C52 and C66 so that:
 - a. Negotiations can be conducted with landowners over Development Contributions;
 - b. A Development Contributions Plan for the areas can be prepared; and
 - c. Further work can be conducted on Neighbourhood Character assessment and preparation of design controls for Korumburra to assist with future town development prior to adoption of C52 & C66

Documents pertaining to this Council Report

Appendix 1:

Panel Report - South Gippsland Planning Scheme Amendments C52, C66, C70 and C71

Appendix 2:

Section A: South Gippsland Shire Council Minutes 23 May 2012 - Amendment C70 Korumburra Structure Plan

Section B: South Gippsland Shire Council Minutes 23 May 2012 Amendment C71 155-165 Commercial Street, Korumburra

Section C: South Gippsland Shire Council Minutes 22 September 2010 C52 Jumbunna Road Residential Rezoning

Section D: South Gippsland Shire Council Minutes 23 May 2012 Amendment C66 - Western Korumburra Rezoning

A copy of the **Appendix 1 and 2** is available on Council's website: www.southgippsland.vic.gov.au or by contacting 5662 9200.

Confidential Appendix 1: Confidential submissions

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Planning and Environment Act 1987

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Nil

COUNCIL PLAN

Strategic Goal:	3	A strong economy
Outcome:	3.3	Infrastructure
Strategy No:	3.3.2	Transport
Strategic Goal:	3	A strong economy
Outcome:	3.3	Infrastructure
Strategy No:	3.3.4	Land-use planning

CONSULTATION

The Amendments have each been subject to consultation and notice in accordance with usual practice. Submissions were received as follows:

- C70 - Eight submissions, four requesting changes,

- C71 - Ten submissions, four requesting changes; one has been subsequently withdrawn
- C52 - 27 submissions, all requesting changes,
- C66 - 12 submissions, four requesting changes.

REPORT

Background

In accordance with Council resolutions in **Appendix 2**, Amendments C70, C71, C52 and C66 were referred to an independent Planning Panel for consideration. Submissions from the public regarding the amendments appear in **Confidential Appendix 1**.

Whilst Council exhibited the Amendments separately, the Panel determined that they should be heard together as the issues for Amendments C52, C66 and C71 overlap and implement the key policy objectives of Amendment C70.

C70 - Korumburra Structure Plan

Amendment C70 introduces the key recommendations of the Korumburra Structure Plan July 2010 into the Municipal Strategic Statement of the South Gippsland Planning Scheme.

Korumburra Structure Plan was initially adopted by Council in October 2008 but it was not implemented at that time due to issues surrounding the town centre and Korumburra Saleyards site. The Structure Plan was referred to the Department of Planning and Community Development's Priority Development Panel (PDP) for consideration. The provisions of Amendment C70 respond to the recommendations of the PDP May 2010 report.

The updated Structure Plan identifies all C52 and C66 land as Urban Expansion Areas and provides a strategic basis to rezone these areas.

Responses to submissions are summarised as follows:

Appropriate definition of the town centre and core retail area

The owner of the Korumburra IGA requested that the IGA site be included in the defined Town Centre area on the grounds that the site's exclusion could discourage future development. The wording of Clause 21.04-5 was altered to support operation and expansion of existing businesses at their current locations.

Buffers to existing industrial sites including the Burra Foods factory

Burra Foods' submission raised concerns over future residential rezoning in close proximity to its site due to noise, odour, vibration and lighting affecting

residential amenity. Another submitter sought clarification of the 'industrial estate' description in the exhibited Framework Plan.

A new strategy was inserted into clause 21.04-5 to address adverse amenity effects and make corresponding changes to the Framework Plan map to more appropriately describe existing industrial areas.

Residential land supply and demand and residential amenity

A number of submitters supported new land availability but raised specific concerns over the changing character of the area. In particular, submitters objected to the appearance of new housing estates as 'a sea of houses'.

To minimise the visual impact of residential development, Council included design controls for land adjacent to existing Low Density Residential Zones (LDRZ) and along 'collector' roads including Jumbunna and Bena Road.

The Panel supported the need to increase land supply and include design controls over the interface between the R1Z and the LDRZ land. However, the Panel did not support design controls for land abutting collector roads due to a lack of strategic evidence.

A residential character assessment within Korumburra is supported to be undertaken to obtain the required strategic evidence.

Defining the new growth areas for residential, commercial and industrial development within Korumburra

The Panel concurred that the existing and future uses identified in the Framework Plan are appropriate and provide sufficient guidance to development and rezoning.

Public Acquisition Overlay (PAO) Little Commercial Street (Lot 1 PS321369)

Council is undertaking a separate Planning Scheme Amendment, C79, which corrects anomalies in the Planning Scheme. The Little Commercial Street PAO is not required and was proposed for removal by C79 shortly after the Panel Hearing. Removing the PAO from the Town Centre Framework Plan, as recommended by the Panel, is supported.

Panel Recommendation

The Panel recommends that Amendment C70 to the South Gippsland Planning Scheme be adopted subject to changing the exhibited Clause 21.04-5 as shown in the Panel report and correcting minor mapping errors.

C71 - 155-156 Commercial Street Rezone from Public Use Zone 7 (PUZ7) (Other public use) to Business 1 Zone (B1Z)

The introduction of a Korumburra Town Centre Framework Plan into the Planning Scheme was recommended by the PDP and provides support for

Amendment C71 to rezone the library site from Public Use Zone to a Business 1 Zoning.

Council proposed rezoning this site to increase retail opportunities, in particular a large retail site for Korumburra as recommended by the PDP. Submitters raised a number of concerns over the loss of an important community asset without a replacement being provided. Objections were also raised about various amenity issues and it was contended that the site was outside the Town Centre Retail Core.

The Panel supported Amendment C71 without change; however it recommended that Council reiterate its commitment to ensure community uses on the site are preserved. This commitment has been made previously by Council at a meeting on 20 March 2011 with the Korumburra community.

C52 and C66 common Issues

Strategic justification for rezoning the land to R1Z

The Panel agreed that the land is strategically supported for rezoning to R1Z based on land supply and demand; and because the land has been identified within the existing and proposed Korumburra Framework Plans.

The impact of development on adjoining LDRZ land

As discussed under Amendment C70 the Panel consider the neighbourhood interface issues associated with developing the land adjacent to LDRZ can be appropriately dealt with under the provisions of the DPO.

The Panel recommended the addition of a minor amendment to the DPO requirement for a 'Traffic Impact Assessment to the satisfaction of the Responsible Authority in consultation with VicRoads'. This recommendation is supported.

The detail of the controls in the proposed DPO

The Panel reviewed the exhibited and proposed DPO and considered that a number of changes are required to improve legibility. This recommendation is supported.

Development Contributions

The Panel recommended that provisions for development contributions are removed due to a lack of strategic justification. This recommendation is not supported as detailed later.

Amenity Issues - Interface issues relating to Jumbunna Road and Somers Crescent

The Panel expressed that there was insufficient strategic justification for these requirements for dwellings adjacent to Sommers Crescent and Jumbunna Road.

It is recommended that Council conducts further work on township character and design controls to guide future township developments in Korumburra.

C52 - Rezoning of 20 ha of Farm Zone land to Residential 1 Zone land with Development Plan Overlay 4

Amenity Issues

Amenity Issues - Interface issues relating to adjoining Low Density Residential Zoned (LDRZ) land

The Panel agreed with the amenity controls (setbacks and site coverage) resolved by Council on 29 August 2012 for the Low Density Residential Zone interface.

Amenity Issues - Interface issues relating to Jumbunna Road and Somers Crescent

The Panel expressed that there was insufficient strategic justification for these requirements for dwellings adjacent to Sommers Crescent and Jumbunna Road.

It is recommended that Council conducts further work on township character and design controls to guide future township developments in Korumburra.

Road access and traffic details

Based on the proponent's traffic study, the Panel agreed that the existing road networks have sufficient capacity to manage the traffic generated by the development. It should be noted that Council's Engineering Services Department is waiting for further information from the proponent on additional intersections including the Jumbunna and Bena Road intersections.

The Panel considered there may be issues with Prudence Close which is required for connection between the C52 land and the adjoining subdivision to the north east and in the future with traffic arising from the C66 land.

Panel Recommendation C52

The Panel recommended that Amendment C52 to the South Gippsland Planning Scheme be adopted with recommended changes to DPO4.

C66 - Rezoning of 73 ha of Farm Zone land to Residential 1 Zone land with Development Plan Overlay 6 and removal of Environmental Significance Overlay 5 (Areas susceptible to erosion).

Amenity Issues - Interface issues relating to adjoining industrially zoned land

The Panel supports the proposed controls in the DPO to enable an appropriate design response to this area.

Amenity Issues - Interface issues relating to adjoining Low Density Residential Zoned (LDRZ) land

As with C52, the Panel considered that an amended Development Plan control between the proposed R1Z land and the existing LDRZ land was required to protect the LDRZ amenity. The change provides for a minimum rear setback, a landscape buffer and a limit to the number of new adjoining R1Z lots. This recommendation is supported.

Staging of Development

The Panel shares concerns that due to the number of landowners and the large area to be rezoned, the staging of development may lead to out-of-sequence infrastructure provision. To address this concern the Panel supported the inclusion of a staging provision in the DPO.

Panel Recommendation C52

The Panel recommended that Amendment C66 to the South Gippsland Planning Scheme be adopted with recommended changes to DPO6.

DEVELOPMENT CONTRIBUTIONS

It is considered prudent for developers to contribute to the provision of community infrastructure including roads, drainage and other community assets associated with rezoning.

For example, amendment C52 will place considerable additional demand on the existing road network. Therefore it is in the public interest that the future purchasers of the lots should contribute (via the developer's contribution) to the provision of the upgrade of that infrastructure.

Council has started the background work on developer infrastructure contributions with its Korumburra Town Centre Framework Plan, the Korumburra Traffic and Drainage Study, and the Korumburra Social and Community Infrastructure Project.

State Government consultants have calculated a range of development contributions rates across the state from \$3,500 to \$27,000 per lot. The C52 and C66 rezonings would enable 500 to 800 new lots. If the ability to secure developer contributions from these developments is compromised, up to \$6million in contributions could be lost from the C52 and C66 rezonings alone; assuming a rate of approximately \$7,500 per lot. It is estimated that Korumburra's total infrastructure needs in the next 15 years is approximately \$12-15million.

However, the Panel recommendations remove Council's ability to require development contributions associated with C52 and C66 until further work is undertaken.

The State Government is developing 'off the shelf' development contribution mechanisms, but as the expected delivery date of these changes is considered too far away, so waiting for these changes is not considered an appropriate option for Council.

AMENITY CONTROLS

The issues regarding amenity controls for land abutting collector roads for both C52 and C66 are similar. Consequently it is recommended to undertake assessment of Korumburra's neighbourhood character to inform the design parameters for the preservation of neighbourhood 'feel ' prior to the adoption of the amendments.

DISCUSSION

Accepting and adopting all of the recommendations of the Panel would facilitate a release of new land quickly but it would also introduce long term challenges regarding developer contributions and design requirements.

Korumburra has approximately 5 to 7 years of available land supply and it is acknowledged that there is a high need for additional housing in Korumburra based on housing construction trends. Rezoning of the land for C52 and C66 would provide for a potential 20-25 years supply of residential land.

However, the land supply need is not so urgent that it should be fulfilled at the expense of long term outcomes for the sake of a relatively brief and affordable amount of additional strategic work identified by the Panel. Therefore, it is recommended to undertake the further work to address the concerns of the Panel for developer contributions and amenity controls on land adjacent to collector and main roads prior to adopting the amendments.

A revision of Ministerial Direction No. 15 requires Council to make a decision to either adopt or abandon an amendment within 40 business days of receiving the Panel report unless an extension of time has been granted by the Minister. If Council obtained a 12-month extension of time before adoption, there would be time for voluntary negotiations on development contributions to occur with the C52 and C66 proponents. During the same period, Council could undertake the strategic work to prepare a Planning Scheme Amendment for a Development Contributions Overlay Schedule for Korumburra.

FINANCIAL CONSIDERATIONS

Council is required to pay the Panel costs for its C70 and C71 amendments. The proponents for Amendments C52 and C66 are required to pay their share of Panel costs. The invoice for the Panel costs should be provided to Council within the next two months.

If Council adopts C52 and C66 now without undertaking strategic work recommended by the Panel, it loses the opportunity to obtain developer contributions on behalf of the Korumburra community for infrastructure relevant for the next 25-30 years of growth and estimated as being worth up to \$6 million.

OPTIONS

When considering the recommendations of a Panel Report, Council is not bound to accept the recommendations. However the usual practice is to accept the expert independent advice and adopt the recommendations unless strong grounds exist for not doing so. The Minister for Planning must also consider the Panel's recommendation when determining whether to approve the Amendment and it is unusual for the Minister to dismiss Panel recommendations.

The options for Council are:

1. Accept and adopt all amendments now in the form recommended by the Panel and seek approval from the Minister for Planning;
2. Set aside some of the recommendations of the Panel and proceed with the amendments as Council determines:
 - a. Where Council agrees fully with the Panel recommendations it can proceed to adoption;
 - b. Where Council does not agree fully with the Panel recommendations, it can request further time for adoption and negotiate with amendment proponents to obtain agreement over the matters that Council does not support; and undertake further strategic work including further Planning Scheme Amendments to address Panel concerns; or
3. Abandon all or some of the Amendments.

It is recommended that Council accept all Panel recommendations for C70 and C71 and adopt these amendments.

It also recommended seeking a resolution to the issues identified by the Panel for Amendments C52 and C66 and then adopting them at a later date.

RISK FACTORS

If C70 is not approved there will be a lack of strategic guidance for the development of Korumburra.

If C71 is not approved this will be a significant impediment to Council's work to facilitate further retail developments in Korumburra.

If Council approves C66 and C52 now, there is a risk that Council will be unable to obtain development contributions without a formal agreement or Development Contributions Overlay. This has the potential to leave Council facing funding pressure from traffic, drainage and community infrastructure needs from development. It is conservatively estimated that this may be a cumulative shortfall of up to \$6million.

The amendment proponents for C52 and C66 are private development interests. The risk factors associated with the amendment are borne by the developer.

CONCLUSION

The Panel's recommendations for amendments C70 and C71 are supported.

The Panel supports Amendments C52 and C66 with minor changes to the Development Plan Overlays but also with the recommendation that provisions for development contributions and amenity controls on collector roads are removed. Council supports the minor changes but not the removal of the development contribution and amenity controls. Therefore, it is recommended that Council seeks an extension of time for amendments C52 and C66 to conduct further work prior to adoption.

RECOMMENDATION

That Council:

1. Receive the Panel Report 'South Gippsland Planning Scheme Amendment C52, C66, C70 and C71 dated 8 November 2012';
2. Adopt Planning Scheme Amendments C70 and C71 to the South Gippsland Planning Scheme as recommended by Panel Report;
3. Forward Amendment C70 to the Secretary of the Department of Planning and Community Development for Certification;
4. Note Amendment C70 is to be approved under delegation following its Certification;
5. Request the Minister for Planning to approve Amendment C71;
6. Request the Minister for Planning for a 12-month extension of time to the period allowed for Council to adopt Amendments C52 and C66 to enable completion of strategic work on development contributions and neighbourhood character as recommended by the Panel to serve the public interest and to ensure a just and fair process
7. Consider a future report on a proposed project to undertake further strategic work on character assessment of Korumburra and to prepare amenity controls for future residential development in Korumburra.
8. Confirm the commitment to ensure existing community uses at 155-156 Commercial Street, Korumburra will be relocated or incorporated into any future development of the site.

MOVED: Cr Brunt

SECONDED: Cr McEwen

THAT COUNCIL:

- 1. RECEIVE THE PANEL REPORT 'SOUTH GIPPSLAND PLANNING SCHEME AMENDMENT C52, C66 AND C70 DATED 8 NOVEMBER 2012';**
- 2. ADOPT PLANNING SCHEME AMENDMENTS C70 TO THE SOUTH GIPPSLAND PLANNING SCHEME AS RECOMMENDED BY PANEL REPORT;**
- 3. FORWARD AMENDMENT C70 TO THE SECRETARY OF THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FOR CERTIFICATION;**
- 4. NOTE AMENDMENT C70 IS TO BE APPROVED UNDER DELEGATION FOLLOWING ITS CERTIFICATION;**
- 5. REQUEST THE MINISTER FOR PLANNING FOR A 12-MONTH EXTENSION OF TIME TO THE PERIOD ALLOWED FOR COUNCIL TO ADOPT AMENDMENTS C52 AND C66 TO ENABLE COMPLETION OF STRATEGIC WORK ON DEVELOPMENT CONTRIBUTIONS AND NEIGHBOURHOOD CHARACTER AS RECOMMENDED BY THE PANEL TO SERVE THE PUBLIC INTEREST AND TO ENSURE A JUST AND FAIR PROCESS**
- 6. CONSIDER A FUTURE REPORT ON A PROPOSED PROJECT TO UNDERTAKE FURTHER STRATEGIC WORK ON CHARACTER ASSESSMENT OF KORUMBURRA AND TO PREPARE AMENITY CONTROLS FOR FUTURE RESIDENTIAL DEVELOPMENT IN KORUMBURRA.**

MOVED: Cr Newton

SECONDED: Cr McEwen

THAT STANDING ORDERS BE SUSPENDED FOR TEN MINUTES.

CARRIED

For: Crs Brunt, Hutchinson-Brooks, Davies, McEwen, Hill, Kennedy and Newton.

Against: Crs Fawcett and Harding.

Discussion ensued.

MOVED: Cr Kennedy

SECONDED: Cr Newton

THAT STANDING ORDERS RESUME.

CARRIED UNANIMOUSLY

A vote was taken to accept the following alternate motion and was CARRIED UNANIMOUSLY.

THAT COUNCIL:

- 1. RECEIVE THE PANEL REPORT 'SOUTH GIPPSLAND PLANNING SCHEME AMENDMENT C52, C66 AND C70 DATED 8 NOVEMBER 2012';**
- 2. ADOPT PLANNING SCHEME AMENDMENTS C70 TO THE SOUTH GIPPSLAND PLANNING SCHEME AS RECOMMENDED BY PANEL REPORT;**
- 3. FORWARD AMENDMENT C70 TO THE SECRETARY OF THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FOR CERTIFICATION;**
- 4. NOTE AMENDMENT C70 IS TO BE APPROVED UNDER DELEGATION FOLLOWING ITS CERTIFICATION;**
- 5. REQUEST THE MINISTER FOR PLANNING FOR A 12-MONTH EXTENSION OF TIME TO THE PERIOD ALLOWED FOR COUNCIL TO ADOPT AMENDMENTS C52 AND C66 TO ENABLE COMPLETION OF STRATEGIC WORK ON DEVELOPMENT CONTRIBUTIONS AND NEIGHBOURHOOD CHARACTER AS RECOMMENDED BY THE PANEL TO SERVE THE PUBLIC INTEREST AND TO ENSURE A JUST AND FAIR PROCESS**
- 6. CONSIDER A FUTURE REPORT ON A PROPOSED PROJECT TO UNDERTAKE FURTHER STRATEGIC WORK ON CHARACTER ASSESSMENT OF KORUMBURRA AND TO PREPARE AMENITY CONTROLS FOR FUTURE RESIDENTIAL DEVELOPMENT IN KORUMBURRA.**
- 7. CONFIRM THE COMMITMENT TO ENSURE EXISTING COMMUNITY USES AT 155-156 COMMERCIAL STREET, KORUMBURRA WILL BE RELOCATED OR INCORPORATED INTO ANY FUTURE DEVELOPMENT OF THE SITE;**
- 8. RECEIVE THE PANEL REPORT 'SOUTH GIPPSLAND PLANNING SCHEME AMENDMENT C71 DATED 8 NOVEMBER 2012';**
- 9. ADOPT PLANNING SCHEME AMENDMENT C71 TO THE SOUTH GIPPSLAND PLANNING SCHEME AS RECOMMENDED BY PANEL REPORT; AND**
- 10. REQUEST THE MINISTER FOR PLANNING TO APPROVE AMENDMENT C71.**

MOVED: Cr Fawcett

SECONDED: Cr Davies

**THAT THE MOTION BE SPLIT TO VOTE SEPERATELY ON POINTS 1 – 6
AND 7 – 10.**

CARRIED UNANIMOUSLY

The Mayor separated the Motion into points 1 – 6 and points 7 – 10.

MOVED: Cr Hutchinson-Brooks

SECONDED: Cr Brunt

THAT POINTS 1 – 6 BE ADOPTED.

CARRIED UNANIMOUSLY

MOVED: Cr Hutchinson-Brooks

SECONDED: Cr Brunt

THAT POINTS 7 – 10 BE ADOPTED.

LOST

For: Crs Hutchinson-Brooks, Harding, Davies and Fawcett.

Against: Crs Newton, Kennedy, McEwen, Hill and Brunt.

Councillor Hutchinson-Brooks left the room at 3.40pm with a declared conflict of interest by close association in Council Reports Item E.8 – LEONGATHA LAND SUPPLY AND DEVELOPMENT CONTRIBUTIONS as he has a commercial relationship with a relative of one of the proponents.

E.8 LEONGATHA LAND SUPPLY AND DEVELOPMENT CONTRIBUTIONS

Development Directorate

EXECUTIVE SUMMARY

This report is to seek authorisation to commence the preparation of Planning Scheme Amendments which propose:

- The rezoning of land in the Southern Leongatha Outline Development Plan (ODP) at 185 Simons Lane, and 168 South Gippsland Highway, Leongatha to a combination of Residential 1 Zone (R1Z) and bulky good uses with Development Plan Overlay (DPO).
- The rezoning of land at 105 Old Korumburra Road, Leongatha to Residential 1 Zone with Development Plan Overlay.
- Undertake negotiations with affected landowners to prepare a Section 173 Agreement or Development Contributions Plan (DCP) for development contributions to be agreed prior to approving any Planning Scheme Amendment (PSA).

Documents pertaining to this Council Report

Attachment 1: Southern Leongatha ODP Provisions

Attachment 2: Proposed rezoning areas

Attachment 3: Business 4 Zone provisions (Bass Coast Planning Scheme example)

Appendix 1: Standard Development Contributions Review

Appendix 2: Housing and Settlement Strategy - Draft Economic Report

A copy of the **Appendix 1 and 2** is available on Council's website: www.southgippsland.vic.gov.au or by contacting 5662 9200.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Planning and Environment Act 1987

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

South Gippsland Planning Scheme

COUNCIL PLAN

Strategic Goal:	3.0	A strong economy
Outcome:	3.3	Infrastructure
Strategy No:	3.3.2	Transport
	3.3.4	Land use planning

CONSULTATION

Council has engaged with landowners since 2008 to progress rezoning of properties in Leongatha South and West.

There has been consultation with the wider community associated with Planning Scheme Amendment C46 (Leongatha Structure Plan) which introduced an amended Structure Plan into the Planning Scheme and was gazetted on 29/7/2010.

Consultation with the wider community over these specific proposals will occur following a Council resolution to proceed with an amendment.

BACKGROUND

Each proposal will be discussed separately below. The map at Attachment 2 indicates the locations of the properties relative to Leongatha and each other.

Area A - 185 Simons Lane

The landowner seeks to rezone Farm Zone land to 4.5 ha of Business 4 (Bulky Good) Zone and the balance (39.5ha) to Residential 1 Zone with associated Development Plan Overlay. The landowner has sought to rezone this land for approximately 4 years.

Area B - 168 South Gippsland Highway

The landowner seeks to rezone Farm Zone land to 1.5 ha of Business 4 (Bulky Good) Zone and the balance (13.5ha) to Residential 1 Zone with associated Development Plan Overlay. The landowner has sought to rezone this land for approximately 4 years, however discussions with this landowner have been limited over the last year.

Area C - 105 Old Korumburra Road

The landowner seeks to rezone 39ha of FZ land to R1Z with associated Development Plan Overlay. The landowner has sought to rezone this land for approximately 4 years and the concept is supported for an area of R1Z land.

The length of time taken to prepare these amendments is due to the following:

- Time taken to identifying infrastructure requirements, particularly traffic and drainage;

- Negotiations over the amount of development contributions with developers;
- The requirement to finalise Planning Scheme Amendment C62 which rezoned approximately 7ha of Area A to Low Density Residential Zone prior to rezoning the balance of the land; and
- Proposed State Government amendments to the Business 4 zone provisions which could affect the viability of the existing Leongatha Central Business District

Council has also developed Amendment C76, Southern Leongatha Outline Development Plan, to assist in providing the strategic impetus for developing land to Leongatha's south, including an area for bulky goods retailing.

DISCUSSION

Since 2008, the landowners of Areas A, B and C have been eager to see their land rezoned and activity has been undertaken to progress these Planning Scheme Amendments as outlined above.

If the proposals proceed to amendment approval, the B4Z would be introduced into the South Gippsland Planning Scheme. Council can insert local provisions into the planning scheme to shape the type of B4Z developed, (The B4Z provisions contained in the neighbouring Bass Coast Planning Scheme are provided at Attachment 3 as an example.) It is possible that the State Government's Reformed Planning Zones Project may replace B4Z with Commercial 2 Zone (C2Z). If this occurs, the Southern Leongatha ODP suggests the creation of a Special Use Zone to achieve a 'bulky goods retail' development.

Many issues are yet to be fully resolved however progress has been made in particular with Area A and C. Additionally, Council has held the provision of bulky goods zoned land as a strategic need for Leongatha for some time. The majority of concerns are applicable to both proposals are discussed below.

Infrastructure Provision

Developers are required to pay for all on-site infrastructure that can be directly attributable to demand that will be generated by their developments. Where off-site infrastructure such as road upgrades, drainage or community assets associated with increasing demand are required, historically these have been negotiated or provided by Council.

Development contributions

Council has considered it appropriate that developers contribute to the provision of civil and community infrastructure including roads, drainage and community assets associated with rezoning.

As a result of a Council resolution in early 2005, Council has sought to recoup these costs by seeking \$5,000 per lot. However, this policy was not implemented into the Planning Scheme, has not been applied to any developments and was formally rescinded in 2011.

Developers have been advised that in the absence of a detailed Development Contributions Scheme, or formal agreement on contributions, Council will require consideration of these matters through a DPO or a section 173 Agreement before approving Development Plans. However when Council applied this approach to two recent Korumburra Planning Scheme Amendments (C52 and C66), the Panel was not supportive of this approach. Further, the Panel did not recommend approval of a DPO requirement or section 173 Agreement for Development Contributions.

It should be noted that recently work has been undertaken by the State Government for an 'off the shelf' Development Contribution Scheme. This work has identified an average Development Contribution Amount of approximately \$9,000 per lot (See Appendix 1). It is estimated that based on 700 to 1000 new dwellings in Leongatha, development contribution amounts ranging from \$3,500 to \$9,000 per lot would contribute \$2.5 million to \$9 million towards required infrastructure to service these new residents. It is estimated that infrastructure needs for Leongatha over the next twenty years will cost approximately \$20-25 million. If rezoning went ahead, failure to develop an appropriate mechanism for developers to contribute to infrastructure would mean that Council would be required to fund the entire infrastructure. The outcomes of the state government work will not be implemented in time to assist Council with processing the Southern Leongatha amendment requests.

Without the legal instruments to require development contributions, Council would need to rely on agreement by developers post-rezoning and Council could be challenged in Victorian Civil and Administrative Tribunal (VCAT); once again running a risk that no contributions will be collected.

The proponents of Areas A and C generally support contributions with their requirements being transparency and fairness between developments. No agreement has been reached between Council and the proponents suitable for signing as a Section 173 agreement.

Calculating Development Contributions

In order to calculate Development Contributions, Council needs to determine:

- The infrastructure required;
- The cost of the infrastructure;
- When the infrastructure would be required; and
- Who benefits (i.e. the nexus).

Determining Infrastructure required and costs

Council is currently undertaking the Leongatha Traffic and Drainage Study to determine what traffic and drainage infrastructure is required for the proposed development areas and what it will cost. This project will also determine when the infrastructure will be required. For instance the Simons Lane and South Gippsland intersection may not require a roundabout immediately, but will require traffic management when the area is fully developed. The outcome of this study will inform Development Contribution negotiations.

Determining Timing

Another critical issue associated with infrastructure and development contributions is the timing of when infrastructure is required and when Development Contributions will be made. Usually, Council would pay for infrastructure in the first instance and then recoup funds as development contributions are received. However, the longer that an area takes to develop, the longer it takes Council to recover costs which is compounded by the cost of financing the works up front. The larger the area rezoned, the longer it takes to recoup the costs of the infrastructure. Conversely, the larger the area that is identified as benefitting from the infrastructure the greater the number of the lots this amount is spread across.

Additionally, rezoning Areas A, B and C will mean that a greater 'liability' will be burdened to Council servicing the existing community and constructing new infrastructure before all development contributions are received.

Conversely, determining how much land to release for development can be problematic. Releasing too much land can have a negative effect on development by affecting return on investment ratios; and the laws of supply and demand also apply to releasing too little land; which may fail to attract targeted growth.

Who benefits from the infrastructure (nexus)

New developments often require upgrades to existing infrastructure; for example roads to cater for the increase in traffic. The method of calculating cost sharing often requires Council to contribute on the basis that the existing users will benefit from the additional infrastructure. This can be calculated as a portion of final costs; that is, 200 people use a road now and where a new development will add 800 more, Council's share may be 20%.

R1Z Land Supply and Demand (Appendix 2)

Between 2007 and 2011 Leongatha experienced an increase of 239 dwellings on R1Z land. This equates to an average of 48 dwellings per annum. It is estimated that approximately 5-10 of these new dwellings per year were infill or unit developments. This demand is anticipated to remain constant or to increase based on Council's growth projections. For the purposes of this report it will be assumed that new R1Z detached dwellings are 44 new dwellings per annum to allow for infill/townhouse developments.

The report "Indicative standard levies for local development contributions, May 2012" prepared by Urban Enterprise estimates there is approximately 391 vacant lots available as at October 2012. This equates to approximately 8.8yrs of R1Z land supply. State Planning Policy at Clause 11.02-1 requires Council to plan for at least a 15 year supply. It takes 12-18 months to rezone land from date of request. Given that it takes a further two years to prepare lots to point of sale after rezoning, it is apparent that Leongatha is experiencing a shortage of residential land.

The proposed rezoning will add an additional 700 to 1,000 new houses providing a further 16 to 23 years residential land supply.

The long timeframe to fully develop these areas has implications as planning policies and community expectations change. It is considered there is some scope to address this issue by having a review period within the Development Plan Overlays.

Area A - 185 Simons Lane - Rezone Farm Zone land to 4.5 ha of Business 4 (Bulky Goods) and the balance 39.5ha of Residential 1 Zone with associated Development Plan Overlay and Area B - 168 South Gippsland Highway - Rezone Farm Zone land to 1.5 ha of Business 4 (Bulky Goods) and the balance 13.5ha of Residential 1 Zone with associated Development Plan Overlay

Council has identified a need for a Bulky Goods precinct for a number of years particularly through the Leongatha Framework Plan and Amendment C76 Southern Leongatha Outline Development Plan. Council is working with the proponent to advance the B4Z.

Areas A and B will need to be rezoned concurrently to ensure that infrastructure is provided efficiently and development occurs in logical stages.

Area C - 105 Old Korumburra Road - Rezone 39ha of Farm Zone land to Residential 1 Zone with associated Development Plan Overlay

Council is working with the proponent to advance the R1Z, and a draft layout plan has already been developed. There are a number of technical issues to be resolved on the design of the development including pedestrian connections, drainage design and traffic issues associated with onsite and offsite works which are being worked through.

For all proponents a key outstanding issue is Development Contributions.

C76 Southern Leongatha Outline Development Plan - Panel Hearing

This amendment implements into new provisions at Clause 21.04-4 'Leongatha' titled 'Southern Leongatha Growth Area' into the Municipal Strategic Statement. The new provisions will guide the use and development of land for residential and commercial development over the next 20 years and beyond. The 'Leongatha Framework Plan' map is updated to improve its readability having regard to the issues identified in the new provisions. The

preferred future land uses in C76 support rezoning land at areas A, B and C. (See attachment 1), however C76 does not rezone any land or apply any new Planning Scheme overlays.

A Panel hearing was heard on 29 November 2012 to hear the issues associated with the amendment. These include Residential 1, Business 4 Zonings, highway frontage concerns, and the interrelationship between land parcels.

Other Issues

With the Leongatha Traffic and Drainage Study yet to be completed and the outcome of the Panel deliberations to be received and assessed by Council it may be considered premature to commence the rezoning of this land in the absence of these reports and direction. However, on balance Council will need to set policy in relation to land supply and developer contributions, so therefore it is recommended to commence these rezonings now.

PROPOSAL

It is proposed that Council commences the preparation and exhibition works associated with rezoning Areas A, B and C subject to entering into an 'in-principle' agreement with the Proponents on the provision of Development Contributions. This will be informed by Amendment C76 and the Leongatha Traffic and Drainage Study.

FINANCIAL CONSIDERATIONS

The proponents of the amendment will be required to meet the costs associated with the Amendments.

RISK FACTORS

There is a risk that by commencing rezoning Areas A, B and C prematurely, Council will be unable to obtain development contributions without a formal agreement or Development Contributions Overlay. This has the potential to leave Council facing funding pressures arising from the provision of traffic, drainage and community infrastructure.

The amendment proponents for the above areas are private development interests. The risk factors associated with the amendment are borne by the developer.

CONCLUSION

It is appropriate that Council authorises preparation and exhibition works associated with rezoning Areas A, B and C subject to entering into an 'in-principle' agreement with the Proponents on the provision of Development Contributions.

RECOMMENDATION

That Council:

1. Support the commencement of the rezoning process for 185 Simons Lane, 168 South Gippsland Highway and 105 Old Korumburra Road Leongatha in accordance with the Leongatha Framework Plan, the recommendations of the Panel Report for C76 Southern Leongatha Outline Development Plan and the Leongatha Traffic and Drainage study.
2. Note that when the required amendment documentation has been prepared, the Chief Executive Officer will exercise his delegation to request the Minister for Planning to authorise preparation of Planning Scheme Amendments to rezone 185 Simons Lane, 168 South Gippsland Highway and 105 Old Korumburra Road Leongatha.
3. Enter into negotiations with the rezoning proponents to obtain appropriate development contributions.

MOVED: Cr Fawcett

SECONDED: Cr McEwen

THAT COUNCIL:

- 1. SUPPORT THE COMMENCEMENT OF THE REZONING PROCESS FOR 185 SIMONS LANE AND 168 SOUTH GIPPSLAND HIGHWAY IN ACCORDANCE WITH THE LEONGATHA FRAMEWORK PLAN, THE RECOMMENDATIONS OF THE PANEL REPORT FOR C76 SOUTHERN LEONGATHA OUTLINE DEVELOPMENT PLAN AND THE LEONGATHA TRAFFIC AND DRAINAGE STUDY.**
- 2. SUPPORT THE COMMENCEMENT OF THE REZONING PROCESS FOR 12HA OF LAND AT 105 OLD KORUMBURRA ROAD LEONGATHA (BEING LOT 1, PS404151C) FROM FARMING ZONE TO RESIDENTIAL 1 ZONE.**
- 3. NOTE THAT WHEN THE REQUIRED AMENDMENT DOCUMENTATION HAS BEEN PREPARED, THE CHIEF EXECUTIVE OFFICER WILL EXERCISE HIS DELEGATION TO REQUEST THE MINISTER FOR PLANNING TO AUTHORISE PREPARATION OF PLANNING SCHEME AMENDMENTS TO REZONE 185 SIMONS LANE, 168 SOUTH GIPPSLAND HIGHWAY AND 105 OLD KORUMBURRA ROAD LEONGATHA.**
- 4. ENTER INTO NEGOTIATIONS WITH THE REZONING PROPONENTS TO OBTAIN APPROPRIATE DEVELOPMENT CONTRIBUTIONS.**

CARRIED

For: Crs Fawcett, Newton, Davies, Kennedy, McEwen, Brunt and Hill.

Against: Cr Harding

Attachment 1: Southern Leongatha ODP

SOUTH GIPPSLAND PLANNING SCHEME

Amendment C76 Exhibition – blue text displays changes to the existing Planning Scheme 'Clause 21.04-4 Leongatha' provisions proposed by Amendment C76. The red text identifies post exhibition changes that will be recommended by Council for inclusion in the provisions at the Panel Hearing. Both maps have been changed by the amendment.

21.04-4
C76_20

Leongatha

Overview

Leongatha is the principal township of the South Gippsland Shire and a centre of State significance in the dairy milk processing industry. As the largest provider of retail, professional, industrial and social services, Leongatha plays a central role as a service provider to the South Gippsland community with elements such as leisure, health and educational services, fulfilling a broader regional role. Situated between the coastal development fringe of Bass Coast and the industry of the Latrobe Valley, and within comfortable driving distance of Melbourne, Leongatha retains a rural township feel valued by its residents. Key issues in Leongatha include establishing a Town Centre heavy vehicle bypass; the development of a bulky goods retail precinct; the provision of additional industrial land and development of the surplus railway precinct land.

Leongatha's future will depend on consolidating and growing its commercial sector, promoting residential development and by defining and building upon Leongatha's broader role within the greater Gippsland region.

Objectives

- To retain Leongatha as the major regional service centre in the Shire.
- To ensure that sufficient areas of residential land, at a range of densities, is available to accommodate future township growth.
- To achieve sequential and staged residential development that integrates with existing infrastructure networks.
- To maintain the primacy of the Town Centre as the retail and service hub of the township.
- To provide adequate areas of commercial and industrial land.
- To provide strong pedestrian and cycling connectivity to the Town Centre and key community assets.
- To improve heavy vehicle and highway traffic movement through and around the township.

Strategies

- Promote the use and development of land in accordance with the strategic direction in the Leongatha Framework Plan and the Leongatha Town Centre Framework Plan.
- Monitor the availability and development of residential land and encourage the rezoning of appropriate areas identified in the Leongatha Framework Plan to maintain an estimated 15-year residential land supply.
- Require the preparation of development plans for new residential estates that establish appropriate integration with existing residential areas and infrastructure; provide pedestrian and cyclist connectivity to the Town Centre and key community features, and protect the environmental values of the land.

SOUTH GIPPSLAND PLANNING SCHEME

- Promote higher density residential development and retirement living within a 400m radius of the existing commercially zoned land in the Town Centre.
- Ensure a high standard of building design, layout and landscaping for all new development, and particularly at the highway entrances to the town.
- Ensure that adequate land is available to accommodate new retail, social, community, commercial and entertainment facilities within the Town Centre.
- Maintain a compact Town Centre that reduces the need for car usage, with all key features and major retail activities within comfortable walking distance of the intersection of Bair Street and McCartin Street.
- Discourage the development of retail uses outside of the Town Centre where such uses may weaken the principal role of the Town Centre.
- Promote the establishment of a bulky goods retail precinct on the western side of the South Gippsland Highway, and commercial use precinct for uses not appropriate to a Town Centre location on the eastern side of the Highway, at the southern entry to the township – see [Southern Leongatha Growth Area provisions below](#).
- Focus industrial development within existing industrial areas and promote the expansion of industrial uses into the land north and west of the golf course recreation reserve while integrating the potential for heavy vehicle connectivity to the South Gippsland Highway.
- Pursue the establishment of a highway bypass of the Leongatha Town Centre by the diversion of South Gippsland Highway traffic along Long Street and Hughes Street in accordance with the Leongatha Town Centre Framework Plan.
- Pursue options to improve heavy vehicle traffic movements from the South Gippsland Highway to the industrial estate.
- Ensure new development and road traffic improvements do not compromise the longer-term potential return of rail services to Melbourne.

Southern Leongatha Growth Area

The Southern Leongatha Growth Area is situated on the southern development boundary of Leongatha and is defined by Simons Lane and Boags Road to the south, the Great Southern Rail Trail to the west and Coalition Creek to the east. This area presents significant opportunities for residential and highway frontage commercial development over the next 25 years and beyond.

To guide development in this area Council has prepared the Southern Leongatha Outline Development Plan (ODP) July 2011. The ODP forms the basis for the Southern Leongatha Growth Area provisions. The ODP and Growth Area provisions build upon the land uses identified in the Leongatha Framework Plan map and should be considered in addition to the other 'Leongatha' provisions in this Clause. The Growth Area provisions offer direction on key land use and development issues to be considered when land is being rezoned, or planning permits assessed.

The *Objective* for the Growth Area is:

To achieve high quality residential and commercial development that responds to the landform, amenity and development and community infrastructure requirements of the subject land and its surrounds in an equitable long-term manner.

Rezoning and Development Plan requirements

Applications to rezone land should be supported by Development Plans that respond, as appropriate, to the issues identified in the strategies. [Rezoning applications involving the Development Plan Overlays should require a site analysis and design response and building](#)

SOUTH GIPPSLAND PLANNING SCHEME

/ subdivision plans as part of the rezoning process that display the proposed outcomes on the land. Development Plans should be prepared with close consideration to linkages and impacts on the broader surrounding area, especially in relation to traffic and storm water management planning and other infrastructure provision.

Rezoning and Development Plans must represent a logical land development unit bounded by main roads, natural features or the boundaries of the Development Plan Overlay map area. Residential rezonings and Development Plans on individual small lots on the eastern side of the Highway will be discouraged unless it can be clearly demonstrated that the requirements of the ODP can be satisfied.

Residential Development

Based on the level of demand for new dwellings in the five years to 2011, the Growth Area has the potential to satisfy more than 25 years residential land supply for Leongatha. Development in the Growth Area should specifically consider the following strategies:

- Promote the application of the Residential 1 Zone and the subdivision of land to maximize the efficient use of land across a range of lot sizes – while having specific regard to:
 - Minimise the number of residential lots with boundaries adjoining the highway frontage commercial uses. Adjoining lots should have sufficient size / depth to allow landscaping to soften the potential visual and amenity impact of commercial uses.
 - Avoid the creation of residential lots in the Coalition Creek flood plain, except where the potential exists for dwellings to be located within lots above the flood level. Roads must not be located in flood prone areas.
- Retain (where existing) and support application of the Low Density Residential Zone to the land immediately north of Simons Lane and Boags Road, and the land south of the proposed commercial area on the eastern side of the Highway.
- Promote the staged and sequential rezoning and subdivision of Residential 1 zoned land that integrates with the existing road network and infrastructure to the north, avoiding the creation of isolated development, or development with poor connectivity to the north.
- Investigate and support the potential to establish residential aged care land uses in close proximity to the Leongatha Hospital.

Highway frontage commercial area

- The Leongatha Framework Plan map identifies a 'Bulky Goods Retail Area' on the western side of the Highway and a 'Highway Frontage Commercial Area' on the eastern side.

The Bulky Goods Area should primarily support larger floor plate 'Restricted retail premises' type uses such as the retailing of furniture, whitegoods, electrical equipment, bedding and manchester, lighting, automotive parts, camping and outdoor equipment, tools, building materials and DIY and homemaker products.

The 'Highway Frontage Commercial Area' should primarily support uses that are not suited to a Town Centre location, benefit from highway exposure and that will have visitation patterns that do not encourage cross highway vehicle and pedestrian traffic movements. Such uses may include Car wash, Conference / Function centre, Emergency services facility, Hotel, Landscape gardening supplies, Motel, Motor vehicle boat or caravan sales, Place of worship, Service station, Trade supplies, and Veterinary centre.

SOUTH GIPPSLAND PLANNING SCHEME

Where a planning permit is required for the use of land it is policy to discourage on either side of the Highway the following uses, Accommodation, Food and drink premises, Industry, Office, Place of assembly (excluding those listed above), Retail premises (excluding those listed above) and Warehouse.

The establishment and consideration of these uses and development should be guided by the following strategies:

- Strongly discourage commercial or community uses that may weaken the primacy of the Town Centre.
- Strongly discourage the establishment of industrial uses, or other discretionary uses, that may detrimentally affect the amenity of surrounding sensitive land uses.
- Promote high quality urban design, site layout, building and landscape design suitable to a township entry point, which provides / encourages;
 - Appropriate buffers to adjoining sensitive land uses.
 - Generally consistent building setback lines with buildings of not more than 10 metres height above ground level. Building layout should consider the long term potential for widening of the highway.
 - Ample onsite car parking, without visually dominating front setbacks.
 - Subdivision, building layout and access design that avoids the requirement to create new highway access points.
 - Building siting and design which makes efficient use of land with specific regard to minimizing unused areas of land (not including landscaping) to the side and rear of development.
- ~~Promote uses in the Highway Frontage Commercial Area that are not suited to a Town Centre location, benefit from highway exposure and that will have visitation patterns that do not encourage cross highway vehicle and pedestrian traffic movements. Investigate the potential to apply a Special Use Zone to this land.~~
- Investigate the implementation of a Design & Development Overlay, or design guidelines, over the land adjoining the highway frontage that will promote urban design outcomes suitable to a township entry point.

Physical Development Infrastructure Provision

Significant physical development infrastructure improvements must occur in the Growth Area, and the broader surrounding area, to support development. The provision of infrastructure should be guided by the following strategies:

- Encourage the location and design of new highway intersection treatments that facilitate development on both sides of the highway, avoiding the proliferation of highway entry points.
- Where residential areas are accessible through commercial areas, encourage the creation of wide landscaped road reserves that create a residential *sense of place*.
- Create an internal road network that considers the future requirements of adjoining undeveloped land and the potential for cumulative increased usage over time.
- Consider the requirement for road and pathway infrastructure upgrading and funding at locations separated from development sites.
- Investigate the creation of a new connector road between Parr Street and Nerrena Road and the relocation of the Simons Lane Bass Highway intersection to a safer location further north of the existing intersection.
- Create a shared pathway network around the boundaries of the Growth Area and along both sides of the highway.

SOUTH GIPPSLAND PLANNING SCHEME

- Promote integrated storm water management on a 'whole of catchment' basis, avoiding the duplication of drainage assets or reliance on overland flows outside of drainage easements and declared waterways.
- Encourage the provision of reticulated sewage assets that consider the development requirements of surrounding land and avoid asset duplication and the need for incremental asset upgrading.

Infrastructure provision must address the requirements of Council's Infrastructure Design Manual.

Open space / Community use / Neighbourhood retail

- Provide and/or reserve an open space reserve of approximately 4ha on the flatter sections of the residential area west of the highway. Additional open space should also be provided at a location adjoining the rail trail if this is not achieved by the 4ha.
- Provide and/or reserve a 1ha (minimum) land parcel west of the highway for future community **physical development** infrastructure.
- Provide continuous lineal open space connectivity between the eastern end of Parkside Close and the wetland area adjoining the Boags Road / Tarwin Ridge Boulevard.
- Investigate the potential to provide a small local park adjoining Coalition Creek.
- Investigate the potential to locate a small neighbourhood retail service centre (adjoining an open space reserve) in the residential area west of the highway.

Actions for implementation

- Prepare a detailed **physical development** infrastructure plan (in accordance with Council's Infrastructure Design Manual) that will form the basis for a developer contributions scheme to be implemented through a Development Contributions Plan Overlay or section 173 Agreements instigated when land is rezoned or developed. The plan should address, but not be limited to:
 - the full construction of the whole length of Simons Lane; upgrading the Boags Road / Simons Lane highway intersection.
 - Improvements to the Simons Lane / Bass Highway intersection including its potential relocation further north.
 - Improvements to the South Gippsland Highway intersections with Parr Street and Greenwood Parade.
 - The provision of shared pathways, open space drainage and community infrastructure.

Infrastructure planning must be considered on a 'full development scenario' and consider the timing / staging (trigger points) of infrastructure provision.

- Investigate the application of a Special Use Zone to the 'Bulky goods retail area' and the 'Highway frontage commercial area' to guide the use of the precinct in a manner that responds to the amenity interface issues of the proposed residential areas, does not weaken the established commercial role of the Town Centre, and minimises the 'cross Highway' commercial interrelationships of the land uses.
- Review the existing zoning of the Town Centre and immediate surrounds and prepare a detailed strategic plan for the Town Centre which includes consideration of the areas identified as 'Town Centre Expansion Investigation Areas' and 'Future Commercial Investigation Area'.

Reference Document

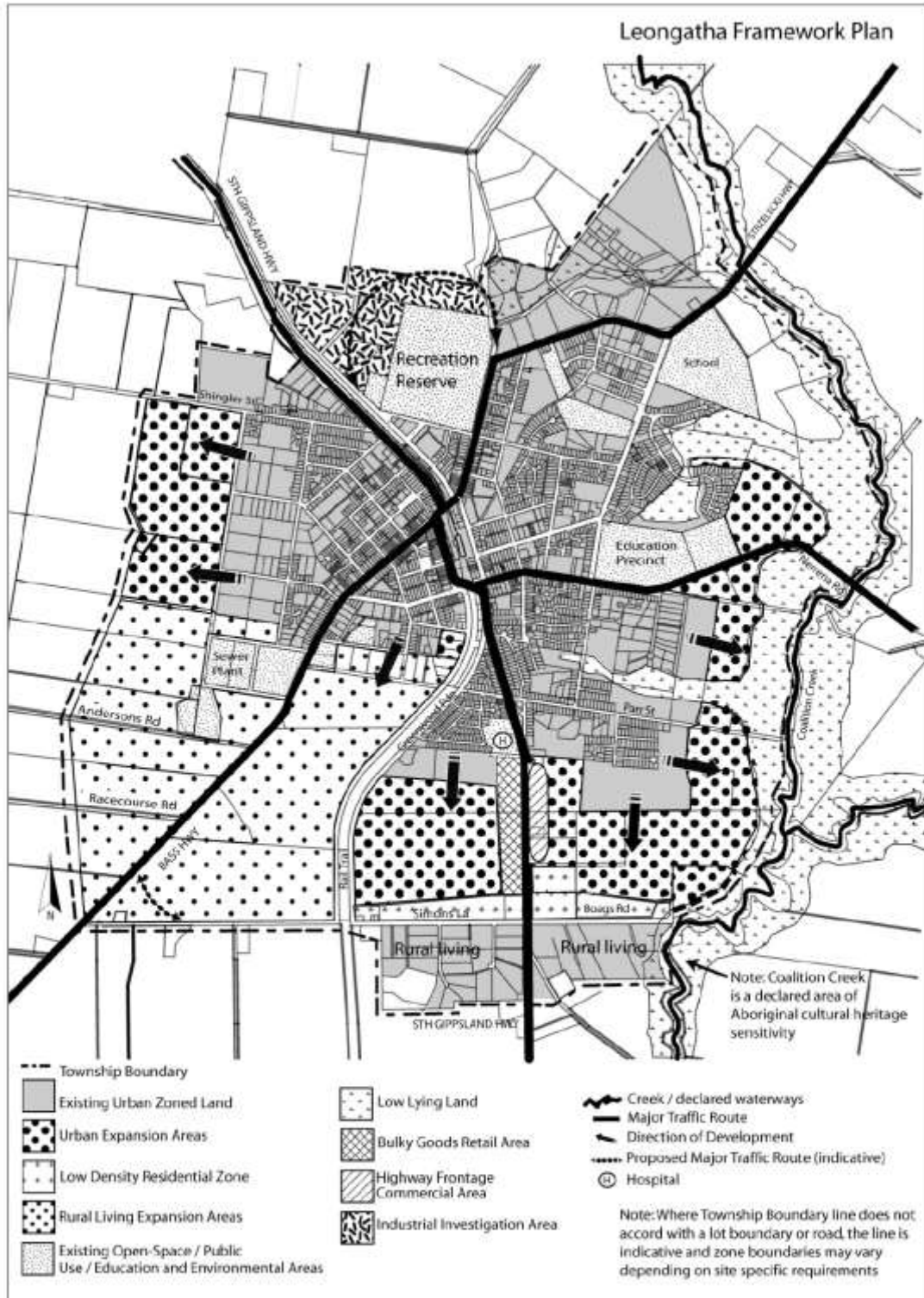
SOUTH GIPPSLAND PLANNING SCHEME

Leongatha Structure Plan, June 2008

Southern Leongatha Outline Development Plan July 2011 (as amended)

South Gippsland Paths and Trails Strategy 2010 (as amended)

SOUTH GIPPSLAND PLANNING SCHEME

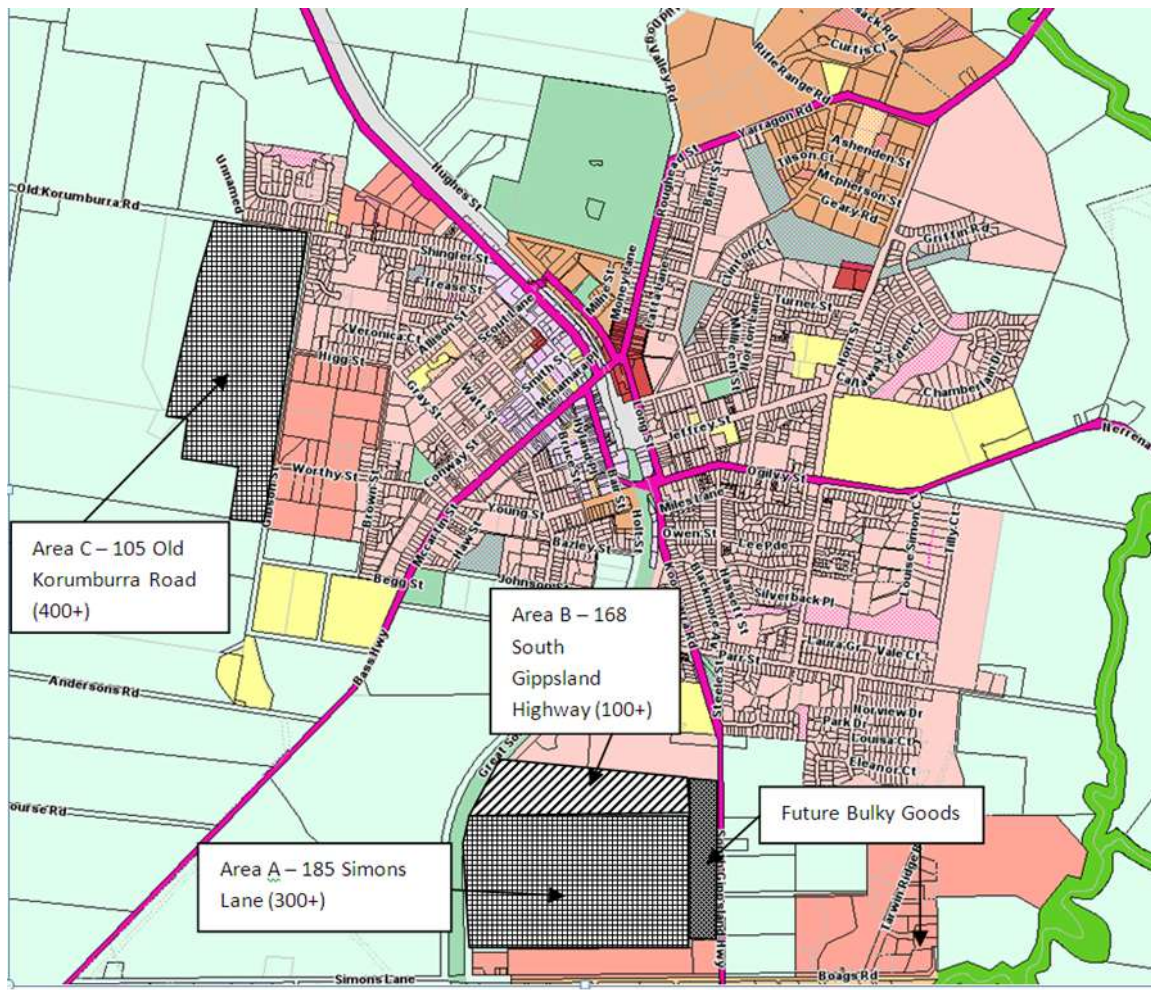


SOUTH GIPPSLAND PLANNING SCHEME



Amendment C76 Exhibition Note: This map remains unchanged except for the deletion of the 'Direct Heavy Vehicle Link' on Turner Street.

Attachment 2 Proposed zoning areas



Attachment 3

Business 4 Zone provisions (Bass Coast Planning Scheme example)

34.04
20/01/2012
VC88

BUSINESS 4 ZONE

Shown on the planning scheme map as **B4Z**.

Purpose

To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.

To encourage the development of a mix of bulky goods retailing and manufacturing industry and their associated business services.

34.04-1
20/01/2012
VC88

Table of uses

Section 1 - Permit not required

Use	Condition
Electoral office	May be used for only 4 months before an election and 2 weeks after an election.
Industry (other than Materials recycling and Transfer station)	<p>Must not be a purpose shown with a Note 1 or Note 2 in the table to Clause 52.10.</p> <p>The land must be at least the following distances from land (not a road) which is in a residential zone, Business 5 Zone, Capital City Zone or Docklands Zone, land used for a hospital or an education centre or land in a Public Acquisition Overlay to be acquired for a hospital or an education centre:</p> <ul style="list-style-type: none"> ▪ The threshold distance, for a purpose listed in the table distance Clause 52.10. ▪ 30 metres, for a purpose not listed in the table to Clause 52.10.
Informal outdoor recreation	
Mail centre	
Minor utility installation	
Railway	
Restricted retail premises	
Service station	The land must be at least 30 metres from land (not a road) which is in a residential zone or Business 5 Zone, land used for a hospital or an education centre or land in a Public Acquisition Overlay to be acquired for a hospital or an education centre.
Trade supplies	The combined leasable floor area for all trade supplies must not exceed any amount specified in the schedule to this zone.
Tramway	
Warehouse (other than Mail centre and Shipping container storage)	<p>Must not be a purpose shown with a Note 1 or Note 2 in the table to Clause 52.10.</p> <p>The land must be at least the following distances from land (not a road) which is a residential zone, Business 5 Zone, Capital City Zone or Docklands Zone, land used for a hospital or an education centre or land in a Public Acquisition Overlay to be acquired for</p>

Use	Condition
	a hospital or an education centre; <ul style="list-style-type: none"> ▪ The threshold distance, for a purpose listed in the table to Clause 52.10. ▪ 30 metres, for a purpose not listed in the table to Clause 52.10.
Any use listed in Clause 62.01	Must meet the requirements of Clause 62.01.

Section 2 - Permit required

Use	Condition
Adult sex bookshop	Must be at least 200 metres (measured by the shortest route reasonably accessible on foot) from a residential zone or Business 5 Zone, land used for a hospital, primary school or secondary school or land in a Public Acquisition Overlay to be acquired for a hospital, primary school or secondary school.
Agriculture (other than Apiculture and Intensive animal husbandry)	
Caretaker's house	
Convenience shop	
Education centre	Must not be a primary or secondary school.
Leisure and recreation (other than Informal outdoor recreation, Major sports and recreation facility, and Motor racing track)	
Materials recycling	
Motel	
Office (other than Electoral office)	The leasable floor area must not exceed 500 square metres.
Place of assembly (other than Carnival and Circus)	
Retail premises (other than Shop and Trade supplies)	
Shipping container storage	
Transfer station	The land must be at least 30 metres from land (not a road) which is in a residential zone or Business 5 Zone, land used for a hospital or an education centre or land in a Public Acquisition Overlay to be acquired for a hospital or an education centre.
Utility installation (other than Minor utility installation and Telecommunications facility)	
Any other use not in Section 1 or 3	

Section 3 - Prohibited

Use
Accommodation (other than Caretaker's house and Motel)
Hospital
Intensive animal husbandry
Major sports and recreation facility
Motor racing track
Shop (other than Adult sex bookshop, Convenience shop, and Restricted retail premises)
Stone extraction

34.04-2
04/12/2008
V042

Use of land

Amenity of the neighbourhood

A use must not detrimentally affect the amenity of the neighbourhood, including through the:

- Transport of materials, goods or commodities to or from the land.
- Appearance of any building, works or materials.
- Emission of noise, artificial light, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, grit or oil.

Application requirements

An application to use land must be accompanied by the following information, as appropriate:

- The purpose of the use and the types of activities which will be carried out.
- The likely effects, if any, on nearby land including noise levels, traffic, the hours of delivery and despatch of goods and materials, hours of operation and light spill, solar access and glare.
- The means of maintaining areas not required for immediate use.
- If an industry or warehouse:
 - The type and quantity of goods to be stored, processed or produced.
 - Whether a Works Approval, or Waste Discharge Licence is required from the Environment Protection Authority.
 - Whether a notification under the Occupational Health and Safety (Major Hazard Facilities) Regulations 2000 is required, a licence under the Dangerous Goods Act 1995 is required, or a fire protection quantity under the Dangerous Goods (Storage and Handling) Regulations 2000 is exceeded.
 - The likely effects on adjoining land, including air-borne emissions and emissions to land and water.

Decision guidelines

Before deciding on an application, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

- The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- The effect that existing uses may have on the proposed use.
- The drainage of the land.
- The availability of and connection to services.
- The effect of traffic to be generated on roads.
- The interim use of those parts of the land not required for the proposed use.
- If an industry or warehouse, the effect that the use may have on nearby existing or proposed residential areas or other uses which are sensitive to industrial off-site effects, having regard to any comments or directions of the referral authorities.

34.04-3
19/01/2006
VC37

Subdivision

Permit requirement

A permit is required to subdivide land.

Exemption from notice and review

An application is exempt from the notice requirements of Section 52(1)(a), (b) and (d), the decision requirements of Section 64(1), (2) and (3) and the review rights of Section 82(1) of the Act. This exemption does not apply to land within 30 metres of land (not a road) which is in a residential zone or Business 5 Zone, land used for a hospital or an education centre or land in a Public Acquisition Overlay to be acquired for a hospital or an education centre.

Decision guidelines

Before deciding on an application, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

- The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- The effect the subdivision will have on the potential of the area to accommodate the uses which will maintain or enhance its competitive strengths.
- Any natural or cultural values on or near the land.
- Streetscape character.
- Landscape treatment.
- The interface with adjoining zones, especially the relationship with residential areas.

34.04-4
30/08/2006
VC40

Buildings and works

Permit requirement

A permit is required to construct a building or construct or carry out works. This includes the internal rearrangement of a building if the maximum leasable floor area specified in the schedule to this zone is exceeded.

This does not apply to:

- The installation of an automatic teller machine.

- An alteration to an existing building façade provided:
 - The alteration does not include the installation of an external roller shutter.
 - At least 80 per cent of the building facade at ground floor level is maintained as an entry or window with clear glazing.
- An awning that projects over a road if it is authorised by the relevant public land manager.

Application requirements

An application to construct a building or construct or carry out works must be accompanied by the following information, as appropriate:

- A plan drawn to scale which shows:
 - The boundaries and dimensions of the site.
 - Adjoining roads.
 - The location, height and purpose of buildings and works on adjoining land.
 - Relevant ground levels.
 - The layout of existing and proposed buildings and works.
 - All driveway, car parking and loading areas.
 - Proposed landscape areas.
 - All external storage and waste treatment areas.
 - Areas not required for immediate use.
- Elevation drawings to scale showing the colour and materials of all buildings and works.
- Construction details of all drainage works, driveways, vehicle parking and loading areas.
- A landscape layout which includes the description of vegetation to be planted, the surfaces to be constructed, site works specification and method of preparing, draining, watering and maintaining the landscape area.

Exemption from notice and review

An application is exempt from the notice requirements of Section 52(1)(a), (b) and (d), the decision requirements of Section 64(1), (2) and (3) and the review rights of Section 82(1) of the Act. This exemption does not apply to an application for a building or works within 30 metres of land (not a road) which is in a residential zone or Business 5 Zone, land used for a hospital or an education centre or land in a Public Acquisition Overlay to be acquired for a hospital or an education centre.

Decision guidelines

Before deciding on an application, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

- The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- The movement of pedestrians and cyclists, and vehicles providing for supplies, waste removal, emergency services and public transport.
- The provision of car parking.
- The streetscape, including the conservation of buildings, the design of verandahs, access from the street front, protecting active frontages to pedestrian areas, the treatment of the

fronts and backs of buildings and their appurtenances, including outdoor advertising structures, illumination of buildings or their immediate spaces and landscaping of land adjoining a road.

- Defining the responsibility for the maintenance of buildings, landscaping and paved areas.
- The availability of and connection to services.
- Any natural or cultural values on or near the land.
- Interface with non industrial areas.
- Outdoor storage, lighting and storm water discharge.
- The design of buildings to provide for solar access.

Maintenance

All buildings and works must be maintained in good order and appearance to the satisfaction of the responsible authority.

34.04-5

19/01/2006
VC37

Advertising signs

Advertising sign requirements are at Clause 52.05. This zone is in Category 1.

Notes:

Refer to the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement, for strategies and policies which may affect the use and development of land.

Check whether an overlay also applies to the land.

Other requirements may also apply. These can be found at Particular Provisions.

E.9 CAPITAL WORKS PROGRAM 2012/13 - AMENDMENTS

Engineering Services Directorate

EXECUTIVE SUMMARY

The purpose of this report is to recommend the following budget adjustments be made to the 2012/13 Capital Works Program:

1. Defer the Princess Street, Korumburra rehabilitation project budget of \$212,000 from 2012/13 due to the requirement to conduct further detailed geotechnical investigations. This project will be assessed as part of the 2013/14 Capital Works Program review process.
2. Remove the John Street rehabilitation project budget of \$42,000 from 2012/13 as these works will be completed under road maintenance.
3. Remove the Nason Street, Korumburra rehabilitation project budget of \$21,000 from 2012/13 as these works will be completed under road maintenance.
4. Bring forward the 2013/14 Lower Franklin Road, Foster rehabilitation budget of \$222,509 to 2012/13 due to accelerated deterioration of this road. This can be funded by using part of the budget for Princess Street, Korumburra road rehabilitation works (\$158,909) and transferring the funds from John Street and Nason Street rehabilitation works of \$42,400 and \$21,200 respectively.
5. Increase the Farmers Road, Dumbalk culvert reconstruction budget from \$60,000 to \$113,091. This can be funded with the balance of the budget for Princess Street, Korumburra road rehabilitation of \$53,091.

Additional detail on the need for the amendments to each of these project budgets can be found in the Discussion section of this report.

Document pertaining to this Council Report

- **Attachment 1** - Capital Works Program 2012/13 Draft Revised Budget

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Local Government Act 1989

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Long Term Financial Plan

COUNCIL PLAN

Strategic Goal:	4.0	Appropriate Infrastructure
Outcome:	4.1	Roads, streets, bridges, drainage and

other associated infrastructure

CONSULTATION

At the Strategic Financial Issues Response Councillor Briefing Session held on 21 November 2012, a Capital Works Program Review Paper was presented as an attachment to this briefing detailing the proposed changes and budget impacts.

REPORT

Discussion

The following amendments to capital works projects have been identified as either urgent works or works requiring deferral to later years.

These works are:

1. Rehabilitation of Princess Street, Korumburra (Cost Centre 9760) – Defer the project budget of \$212,000 from 2012/13 due to the requirement to conduct further detailed geotechnical investigations.

A full design will be carried out this year enabling reconstruction works to be programmed in a future year's budget. This will be determined as part of the 2013/14 Capital Works Program review process.

2. John Street, Korumburra (Cost Centre 9766) – \$42,000 – Remove the project as this can be funded under the road maintenance program.

The funds from this project can then be transferred to the Lower Franklin Road rehabilitation project (Cost Centre 9764).

3. Rehabilitation of Nason Street, Korumburra (Cost Centre 9773) – \$21,200 – Remove the project as this can be funded under the road maintenance program.

The funds from this project can then be transferred to the Lower Franklin Road rehabilitation project (Cost Centre 9764).

4. Rehabilitation of Lower Franklin Road, Foster (Cost Centre 9764) – Include a budget of \$222,509 in 2012/13.

The condition of this road is deteriorating more rapidly than anticipated due to recent rains and planned works should be brought forward to 2012/13 in order to reduce the overall cost of the required rehabilitation works.

These works can be jointly funded by budget allocated for Princess Street, Korumburra road rehabilitation works and John Street and Nason Street rehabilitation works.

5. Collapsed culvert reconstruction on Farmers Road, Dumbalk (Cost Centre 9821) – Increase the Farmers Road, Dumbalk culvert reconstruction budget from \$60,000 to \$113,091.

A culvert on Farmers Road collapsed due to flooding. It was necessary to complete the reconstruction of this culvert to make the road passable.

The additional funds of \$53,091 for these works can be transferred from the balance of the budget for Princess Street, Korumburra road rehabilitation works.

Proposal

It is proposed that Council allow the above amendments be made in the 2012/13 Capital Works Program.

FINANCIAL CONSIDERATIONS

There are no net changes to the 2012/13 Capital Works Program following the proposed adjustments to identified projects. Refer to **Attachment 1**.

The Princes Street, Korumburra rehabilitation project will be reviewed as part of the 2013/14 Capital Works Program budget process and programmed in the appropriate future year's budget.

RECOMMENDATION

That Council:

- 1. Remove the following projects from the 2012/13 Capital Works Program:**
 - a. Princess Street, Korumburra (Cost Centre 9760) - \$212,000. The project will be assessed as part of the 2013/14 Capital Works Program review process and programmed in the appropriate future year's budget.**
 - b. John Street, Korumburra (Cost Centre 9766) - \$42,400, noting that the project will be funded under the road maintenance program.**
 - c. Nason Street, Korumburra (Cost Centre 9773) - \$21,000, noting that the project will be funded under the road maintenance program.**
- 2. Use the above identified funds to bring forward the following urgent capital works by:**
 - a. Including a budget of \$222,509 for the rehabilitation of Lower Franklin Road, Foster (Cost Centre 9764) in the 2012/13 Capital Works Program.**
- 3. Increasing the 2012/13 Capital Works budget for the culvert reconstruction on Farmers Road, Dumbalk (Cost Centre 9821) by \$53,091.**

MOVED: Cr Newton

SECONDED: Cr Davies

THAT THE RECOMMENDATIONS IN ITEMS E.9, E.10 AND E.11 BE ADOPTED.

Cr Hutchinson-Brooks returned to the Meeting at 4.06pm.

CARRIED UNANIMOUSLY

Attachment 1
Capital Works Program 2012/13 Draft Revised Budget

Type	Cost Centre	2012 2013 Budgets
Original Budget	9760 - Roads - Princess Street, Korumburra Rehabilitation (R2R)	\$ 212,000
<i>Adjustment</i>	<i>Transfer to 9764 - Roads - Lower Franklin Road, Foster Rehabilitation (LGIP)</i>	<i>(\$ 158,909)</i>
<i>Adjustment</i>	<i>Transfer to 9821 - Culvert - Farmers Road, Dumbalk</i>	<i>(\$ 53,091)</i>
Revised	9760 - Roads - Princess Street, Korumburra Rehabilitation (R2R)	\$ -
Original Budget	9766 - Roads - John Street, Korumburra Rehabilitation (LGIP)	\$ 42,400
<i>Adjustment</i>	<i>Transfer to 9764 - Roads - Lower Franklin Road, Foster Rehabilitation (LGIP)</i>	<i>(\$ 42,400)</i>
Revised	9766 - Roads - John Street, Korumburra Rehabilitation (LGIP)	\$ -
Original Budget	9773 - Roads - Nason Street, Korumburra (LGIP)	\$ 21,200
<i>Adjustment</i>	<i>Transfer to 9764 - Roads - Lower Franklin Road, Foster Rehabilitation (LGIP)</i>	<i>(\$ 21,200)</i>
Revised	9773 - Roads - Nason Street, Korumburra (LGIP)	\$ -
Original Budget	9764 - Roads - Lower Franklin Road, Foster Rehabilitation (LGIP)	\$ -
<i>Adjustment</i>	<i>Transfer from 9760 - Roads - Princess Street, Korumburra Rehabilitation (R2R)</i>	<i>\$ 158,909</i>
<i>Adjustment</i>	<i>Transfer from 9766 - Roads - John Street, Korumburra Rehabilitation (LGIP)</i>	<i>\$ 42,400</i>
<i>Adjustment</i>	<i>Transfer from 9773 - Roads - Nason Street, Korumburra (LGIP)</i>	<i>\$ 21,200</i>
Revised	9764 - Roads - Lower Franklin Road, Foster Rehabilitation (LGIP)	\$ 222,509
Original Budget	9821 - Culvert - Farmers Road, Dumbalk	\$ 60,000
<i>Adjustment</i>	<i>Transfer from 9760 - Roads - Princess Street, Korumburra Rehabilitation (R2R)</i>	<i>\$ 53,091</i>
Revised	9821 - Culvert - Farmers Road, Dumbalk	\$ 113,091
Original Budget	Total	\$ 335,600
Adjustment	Total	\$ -
Revised	Total	\$ 335,600

E.10 KORUMBURRA TOURIST PARK LEASE

Engineering Services Directorate

EXECUTIVE SUMMARY

The purpose of this report is to:

1. Present the outcome of the public notice process during October and November 2012, which informed the community of Council's proposal to lease the Korumburra Tourist Park (KTP) to Heidi Maree Marshall and Adam Lyle Harold Marshall (the notice). A copy of the notice is in **Attachment 1**.
2. Recommend to enter into the Lease for the land described and as shown on the plan in the notice.
3. Note that the Lease for the KTP can be signed by Council's Chief Executive Officer using his delegated powers.
4. Submit the Lease for the KTP to the Department of Sustainability and Environment to be endorsed by the Minister's delegate.

Documents pertaining to this Council Report

- **Attachment 1** – Public Notice pursuant to Section 190 of the Local Government Act, 1989
- **Confidential Appendix 1** – The Lease

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

- Local Government Act, Vic, 1989, Sections 3E and 3F, 136, 190 and 223
- Residential Tenancies Act 1997, Sections 143, 145 & 206D
- Residential Tenancies (Regulations) 1997
- Crown Land (Reserves) Act 1978, Sections 14 and 17D

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Asset Management Policy 2007
- Tourism Strategy

COUNCIL PLAN

Strategic Goal:	1.0	A Vibrant Engaged Community
Outcome:	1.1	Active, Resilient Community

Strategy No:	1.1.6	Image and Identity
Strategic Goal:	3.	A Strong Economy
Outcomes:	3.1	Economic Development
	3.2	Tourism, Employment
	3.3	Infrastructure
Strategy:	3.1.3	Economic Investment
	3.1.4	Tourism
	3.2.1	Employment Creation
	3.3.3	Utilities
Strategic Goal:	4	Appropriate Infrastructure
Outcomes:	4.2	Council Buildings/Facilities
Strategy:	4.2.2 & 4.2.3	Funding and Review

CONSULTATION

REPORT

Background

The last report to Council on this matter was on 24 October 2012. Where Council resolved:

“That Council:

- 1. Approve commencement of the statutory procedures pursuant to Section 190 and Section 223 of the Local Government Act 1989 for the proposed lease of the Korumburra Tourist Park.*
- 2. Give public notice on 30 October of the proposal in accordance with Section 190 and 223 of the Local Government Act, 1989.”*

The above resolutions have been addressed. The notice pursuant to Sections 190 and 223 of the Local Government Act, 1989 was published in the local papers week commencing 29 October 2012. The notice informed the community of Council's intention to enter into a lease with Heidi Maree Marshall and Adam Lyle Harold Marshall for the KTP.

No submissions were received.

Discussion

The Lease

A copy of the Lease is provided in **Confidential Appendix 1**. Given the confidential nature of the terms of the Lease, a copy has been distributed separately to Councillors and the Executive Leadership Team.

Particular items to note are as follows:

- The Lease is for a term of 21 years. This is the maximum time allowed under the Crown Land (Reserves) Act, 1978.
- The tennis courts will be included in the Leased area.
- The commencement rent is \$17,400 plus GST per annum payable monthly in advance.
- The rent is increased by Consumer Price Index (CPI) annually on the anniversary of the commencement date except where a market review applies. A market review is a review of established commercial rental levels within the particular industry – in this case Tourist Parks. This will apply in years 6, 12 and 18.
- The Tenant is responsible for all maintenance.
- Appendices to the Lease include:
 - Appendix 4 – Management and operational performance.
 - Appendix 6 – Maintenance Program
 - Appendix 7 – List of Improvement Works to be attended to by the Tenant over the 21 year period.

The Tenant's compliance with the contents of the above appendices will be monitored by Council on an annual basis.

Proposal

It is proposed to immediately proceed to arrange for the Lease of the KTP to be executed by all parties including forwarding it to the Department of Sustainability and Environment for endorsement by the Minister's delegate.

FINANCIAL CONSIDERATIONS

All proceeds from the lease and operation of the Crown Land Caravan Parks within South Gippsland Shire and for which Council is the Committee of Management are placed into a general account for maintenance of Crown Land within our Shire. Accordingly, the rental income for the Korumburra Tourist Park (KTP) will be placed into this account.

The KTP is able to be removed from Council's capital works program / asset management program as the Lease provides that all maintenance obligations at the KTP are the responsibility of the Tenant.

CONCLUSION

Council has satisfied its statutory obligations with regard to informing the public of its intention to enter into a lease of the KTP. Council has also satisfied the Department of Sustainability and Environment's preferred process of demonstrating transparency by publicly advertising for expressions of interest for the lease and operation of the KTP. The final item to be addressed is execution of the Lease by all parties, including the Minister's delegate given the Crown Land status of the KTP.

RECOMMENDATION

That Council:

- 1. Proceed to enter into a Lease with Heidi Maree Marshall and Adam Lyle Harold Marshall in respect of approximately 3 hectares of Crown land described as Crown Allotment 49, Section 6, Township of Korumburra, Parish of Korumburra and known as the Korumburra Tourist Park (Land) and as defined in the plan in the Notice at Attachment 1.**
- 2. Note that the Lease for the Land will be signed by the Chief Executive Officer using his delegated powers.**
- 3. Note the fully executed Lease will be forwarded to the Department of Sustainability and Environment for endorsement by the Minister's delegate.**

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion, refer to page 112.

Attachment 1 The Public Notice

Public Notice South Gippsland Shire Council Notice of Intention to Lease Land

South Gippsland Shire Council (**Council**) gives notice under section 190 of the Local Government Act 1989 (**Act**) of its intention to enter into a lease with Heidi Maree Marshall and Adam Lyle Harold Marshall in respect of approximately 3 hectares of Crown land described as Crown Allotment 49 Section 6 Township of Korumburra Parish of Korumburra, known as the Korumburra Tourist Park, Faulkner Street, Korumburra (**the proposal**). The leased area is bordered in black on the plan below. (The Netball Courts are not included in the leased area).



The Council has been appointed as Committee of Management of the leased area subject to the proposal pursuant to section 14(2) of the *Crown Land (Reserves) Act 1978*.

The principal terms of the lease will be:

1. A term of 21 years with no further terms.
2. A commencement rent of \$17,400.00 per annum plus GST. Rent will be reviewed annually to CPI except in Years 6, 12 & 18 when a market rent review will be conducted.
3. Outgoings and other charges are payable by the tenant.
4. Maintenance and improvement works are the responsibility of the tenant.
5. The tenant shall be responsible for the management and operation of the Korumburra Tourist Park.

A person may make a submission on the proposal. Any person proposing to make a submission under section 223 of the Act must do so by the close of business on 27 November 2012. All submissions will be considered in accordance with section 223 of the Act.

**Attachment 1
The Public Notice**

All submissions should be addressed to the Chief Executive Officer and can be hand delivered to Council's office at 9 Smith Street, Leongatha or posted to the following address:

The Chief Executive Officer
South Gippsland Shire Council
Private Bag 4
LEONGATHA VIC 3953

Any person requesting to be heard in support of his or her submission is entitled to appear in person, or be represented by a person specified in the submission, before a meeting of the Council (or a committee determined by Council) to be heard in support of their submission, and will be notified of a time and date of the hearing.

Tim Tamlin
Chief Executive Officer
South Gippsland Shire Council

E.11 COUNCILLOR APPOINTMENTS TO COMMITTEES – UPDATE

Corporate Services Directorate

EXECUTIVE SUMMARY

At the Special (Statutory) Meeting of Council held on 7 November 2012 Council appointed Councillors to committees and external bodies. Two Councillors were appointed to the South Gippsland Community Weeds Taskforce (Weeds Taskforce). Due to conflicting commitments Councillor Robert Newton has had to resign from the Weeds Taskforce. It is recommended that Councillor Lorraine Brunt be appointed as Council's representative, to join Councillor Don Hill, as a Council representative on this external committee.

LEGISLATIVE/ ACTION PLANS/ STRATEGIES/ POLICIES

Local Government Act 1989 – Section 3D and Section 139

COUNCIL PLAN

Strategic Goal:	5.0	A Leading Organisation
Outcome:	5.1	Good Governance
Strategy No:	5.1.3	Community engagement

CONSULTATION

Councillors considered replacement nominations for the Weeds Taskforce at the Briefing Session on 21 November 2012.

REPORT

Background

At the 7 November 2012 Special (Statutory) Meeting of Council Councillor Don Hill and Councillor Robert Newton were appointed as Council's representatives on the South Gippsland Community Weeds Taskforce. The taskforce meets during normal working hours on a quarterly basis each year. Due to competing commitments Councillor Newton has determined he is unable to attend the meetings on a regular basis and has asked to be replaced by another Councillor.

Councillor Lorraine Brunt has indicated her willingness to join the Weeds Taskforce to continue Council's representation on the committee.

FINANCIAL CONSIDERATIONS

Funds are allocated in current and forward budgets where appropriate for membership fees and any subscriptions required as part of the membership to external committees.

RISK FACTORS

The investment of Councillor time and resources returns positive outcomes and opportunities for Council and the community through access to strategic information and Councillor's providing advocacy and leadership for the benefit of the community. Insufficient representation on relevant committees would limit the achievement of these benefits.

Conclusion

It is recommended that Council note the resignation of Councillor Robert Newton from the Weeds Taskforce and appoint Councillor Lorraine Brunt to this committee.

RECOMMENDATION

That Council note Councillor Robert Newton's resignation from the South Gippsland Community Weeds Taskforce due to conflicting commitments and appoint Councillor Lorraine Brunt for the term commencing 19 December 2012 until the scheduled Special (Statutory) Meeting of 2013.

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion, refer to page 112.

SECTION F - URGENT OR OTHER BUSINESS

There are two basic parts to this section of the Agenda:

1. Urgent Business

Normally no motion should be debated by Councillors unless the matter is already included as an item on the Agenda. However in some circumstances it is possible to raise urgent motions.

The Meeting Procedure Local Law No.3 (Clause 46) allows for where a situation has not been provided for under the Local law, the Council may determine the matter by resolution. Established practice has provided for urgent motions to be raised at Council provided the matter cannot be dealt with at the next ordinary meeting of Council or by officers under delegation.

It is necessary for the Councillor wishing to raise a matter of urgent business to raise a motion similar to the following: 'That consideration of (*the issue*) be dealt with as a matter of urgent business and Councillorbe allowed a 'short period' to indicate the reason(s) why the matter should be considered as a matter of urgent business". If the Chairperson accepts the motion as meeting the urgent business criteria, normal meeting procedures in Local law 3 will apply.

If the motion to accept the item as a matter of urgent business is passed by Council, the motion relating to the specific issue can then be put and debated in the normal way.

2. Other Business

This provides an opportunity for Councillors to raise items of general interest to the Council and the community. It may relate to an up coming event or the outcomes of a recent meeting with a Minister etc.

RECOMMENDTION:

That Council consider the item National Broadband Network Co (NBN) - Interest in Leasing Council Land as a matter of Urgent Business as Council has received planning applications from NBN to install two communication towers on council owned/managed land and deferred consideration of the request could potentially delay the rollout of NBN in South Gippsland.

MOVED: Cr Davies

SECONDED: Cr Fawcett

THAT COUNCIL CONSIDER THE ITEM NATIONAL BROADBAND NETWORK CO (NBN) - INTEREST IN LEASING COUNCIL LAND AS A MATTER OF URGENT BUSINESS AS COUNCIL HAS RECEIVED PLANNING APPLICATIONS FROM NBN TO INSTALL TWO COMMUNICATION TOWERS ON COUNCIL OWNED/MANAGED LAND AND DEFERRING CONSIDERATION OF THE REQUEST COULD POTENTIALLY DELAY THE ROLLOUT OF NBN IN SOUTH GIPPSLAND.

CARRIED UNANIMOUSLY

F.1 NATIONAL BROADBAND NETWORK CO - INTEREST IN LEASING COUNCIL LAND

Engineering Services Directorate

EXECUTIVE SUMMARY

This report is presented to Council for it to consider the lease of Council owned/managed land to the National Broadband Network (NBN). The proposed use of the Council land is for the construction/installation of infrastructure associated with the fixed radio (wireless) component of the NBN.

NBN are keen to commence its rollout in South Gippsland. To do this, it will need to secure planning permits for the use on the sites and also enter into long term leases. These are two separate processes which can run concurrently. The focus of this report is on the leasing component and the requirement of Council to comply with Section 190 and 223 of the Local Government Act, 1989 (LGA).

It should be noted that this matter is a priority project of Council.

DOCUMENT PERTAINING TO THIS COUNCIL REPORT

Attachment 1: Letters received from NBN dated 17 December 2012.

Attachment 2: Locality plan for Site 1 - Yanakie.

Attachment 3: Locality plan for Site 2 - Port Welshpool.

Attachment 4: Section 190 of the Local Government Act 1989.

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

- Local Government Act (Vic) 1989
- Crown Land (Reserves) Act 1978
- Telecommunication Act 1997
- National Broadband Network Companies Act 2011

INTERNAL POLICIES/STRATEGY/PLANS

- Draft Economic Development and Tourism Strategy 2012.
- Gippsland Regional Plan.

COUNCIL PLAN

Strategic Goal:	3.	A Strong Economy
Outcomes:	3.1	Economic Development
	3.3	Infrastructure
Strategy:	3.1.3	Economic Investment
	3.3.1	Accessible networks

CONSULTATION

On 18 October 2012, a meeting was held with representatives from NBN. At this meeting, NBN discussed its operations and proposed network rollout plans in South Gippsland.

NBN presented to Council at its Briefing Session on the 21 November 2012.

Informal discussions have been held with representatives from Visionstream regarding the Sites. Visionstream are engaged by Ericsson who in turn, act on behalf of the NBN Acquisition Team.

Visionstream formally wrote to Council on 17 December 2012 regarding their proposal to lease the Sites (see **Attachment 1**).

NBN's proposed rollout, including identifying preferred sites has been widely publicised in the local newspapers circulating in South Gippsland.

REPORT

Background

NBN is Australia's first national open access communications network and is being built to bring high speed broadband and telephone services to all Australian premises. The NBN will use three technologies; optic fibre, fixed wireless and satellite. It is being rolled out to every home, school and work place in the country.

Council can demonstrate strategic support for new technology in South Gippsland as follows:

1. Draft Economic Development and Tourism Strategy 2012 lists the following objectives:
 - Achieve high speed and quality telecommunications through integrated and accessible systems and networks.
 - Assist businesses and the community to prepare for and take advantage of the opportunities from the Digital Economy.
2. Council Priority Projects lists the following:

Broadband and Telecommunications

Continuing improvement of its telecommunications and in particular high speed broadband and mobile services is critical for development of the area. Council seeks early connection to the National Broadband Network and removal of mobile blackspot areas.

3. The Gippsland Regional Plan also lists Broadband Connectivity as one of the 10 Regional Priorities.

Discussion

Approach by NBN

Formal correspondence was received by Council on 17 December 2012 (see **Attachment 1**). The correspondence discussed the following:

- Confirms the interest of NBN in the sites.
- Seeks confirmation of Council's in-principle support to lease the sites for the construction/installation of infrastructure associated with the fixed radio (wireless) component of the NBN.
- Describes the facility being a monopole of approximately 35m in height with ground equipment units at the base.
- Outlines the proposed terms of lease for each site as listed in Table 1 below:

Table 1: Proposed terms of lease

Lease item	Offer
Rent	\$8,000 gross exclusive of GST. This is a gross rent and is inclusive of all rates, taxes, statutory and building outgoings.
Term	20 years
Rent reviews	2.5% per annum
Commencement	The date the parties execute the tenure agreement or earlier by mutual agreement.

The Sites

The Sites are identified in **Attachments 2 and 3**. Particular information for each site is listed in Table 2 below.

Table 2: The Sites

Site	Site (Address)	Council owned/legal status	Council managed/legal status	Existing use
1	Part of 2746 Meeniyon-Promontory Road, Yanakie.	Yes Lot 1 on TP887244 Certificate of title volume 0871 folio 293	N/A	Informally used by the Yanakie Motorcycle Club for overflow car parking purposes. (Not under lease)
2	Part of 6 Port Welshpool Road, Port Welshpool	No	Yes Council is Committee of Management. Crown land temporarily reserved for camping and recreation purposes. Crown Allotment 1A, Township of Port Welshpool	Leased to Glendale Glen Pty Ltd and forms part of the Long Jetty Caravan Park. Site is used for storage of landscaping materials and overflow car parking during peak periods.

Processes and Statutory Procedures

NBN are keen to commence its rollout in South Gippsland. To do this, it will need to secure planning permits for the use on the sites and also enter into long term leases. These are two separate processes which can run concurrently. The focus of this report is on the leasing component and the requirement of Council to comply with Section 190 and 223 of the Local Government Act, 1989 (LGA).

Section 190 of the Local Government Act 1989

Section 190 of the LGA requires Council to inform the public, 4 weeks prior to the entering into of the new lease, of its intention to enter into a new lease in certain circumstances. An extract of Section 190 is provided in **Attachment 4**. As the lease is to be for 20 years, Section 190(3)(b) of the LGA applies.

Planning and Environment Act 1987 - Application for a Planning Permit

Installation of the infrastructure required to deliver the NBN project requires planning approval. Typically this infrastructure is either a lattice tower or a monopole. The land subject of this report is the only proposed land which is under Council's direct ownership or management. Notification and advertisement of these planning permit applications will be undertaken in accordance with the Planning and Environment Act 1987.

Council received planning permit applications for the two sites located on Council owned/managed land on the 30 November 2012. Following consultation with the applicant it was agreed that these applications would be placed on hold until Council was briefed on the proposal to use Council owned/managed land. There were concerns that the public would perceive advertisement of the planning permit applications as predetermined consent to allow the required infrastructure to be located on Council land.

Whilst under normal circumstances the consideration of the planning permit applications would be delayed until the Section 223 process is completed. Due to the local and national significance of the NBN project it is proposed to conduct these two consultation processes concurrently. The delivery of the NBN to the South Gippsland community could be delayed if assessment of the planning permit application is not commenced until the Section 223 process is completed.

A final decision on the planning permit cannot be made until Council has decided whether to provide consent for the infrastructure to be located on Council land. However the planning permit application can be pre-assessed and ready for decision at this time.

Should five or more objections be received, the planning permit decisions will be referred to Council in accordance with current staff delegations.

Options

Site 1: Yanakie

Site 1 is Council freehold land and not subject to a lease. The following option is available:

Lease between Council and NBN

- Council's valuer to review the formal offer by NBN.
- Negotiate lease offer with NBN (if necessary).
- Public notification via sections 190 and 223 of the LGA.

Site 2: Port Welshpool

Site 2 is Crown land for which Council is the Committee of Management and leases to a private operator. The following options are available:

5. Lease between Council and NBN

Actions required to achieve the above option are as follows:

- a. Council's valuer to review the formal offer by NBN.
- b. Negotiate lease offer with NBN (if necessary).
- c. Negotiate with the existing tenant of the Long Jetty Caravan Park to excision Site 2 from the leased area. Given the pending lease expiry on 23 November 2013, this is not considered to be an issue.
- d. Public notification via Sections 190 and 223 of the LGA.
- e. Approval in Principle from the Department of Sustainability and Environment to enter into a new lease with NBN for the excised area pursuant to Section 17D of the Crown Land (Reserves) Act, 1978.
- f. Prepare new lease plans and show common access roads to be shared between the existing tenants and users of the Long Jetty Caravan Park and NBN for access to its proposed facility.

6. Lease between existing tenant of the Long Jetty Caravan Park and NBN Co.

This is not a practical option given the lease between Council and the existing tenant at the Long Jetty Caravan Park ends on 23 November 2013.

Proposal

That Council commence all necessary negotiations and statutory procedures to enter into a Lease with NBN for the sites.

Financial Considerations

The rental offer will be reviewed by Council's valuer to ensure a fair and reasonable market rental.

There are no other financial considerations to be discussed. The Report presenting the final lease will discuss financial considerations.

Risk Factors

There is potential risk to Council in the following areas:

- Financial – securing best value for its assets.
- Contractual – potential complexity of terms.
- Reputational – community perception of being the planning approval authority and receiving monies for infrastructure on Council land. Inability to facilitate a project of national importance.

RECOMMENDATION

That Council:

- 1. Approve commencement of the statutory procedures pursuant to Section 190 and Section 223 of the Local Government Act 1989 for the proposed lease of the following sites:**

Address	Legal Description
Part of 2746 Meeniyah-Promontory Road, Yanakie	Lot 1 on TP887244 and being the land comprised in Certificate of title volume 0871 folio 293
Part of 6 Port Welshpool Road, Port Welshpool	Crown Allotment 1A, Township of Port Welshpool being Crown land temporarily reserved for camping and recreation purposes.

- 2. Give public notice in the week commencing 7 January 2013 of the proposal in accordance with Section 190 and 223 of the Local Government Act 1989.**
- 3. In the public notice clearly state:**
 - a. A person may make a submission to the proposal no later than 5:00pm on 5 February 2013 addressed to the Chief**

Executive Officer, South Gippsland Shire Council, Private Bag 4, Leongatha 3953 or delivered to the Council Office, 9 Smith Street, Leongatha.

- b. Any person making a written submission is entitled to state in their submission that he or she wishes to appear in person, or be represented by a person specified in the submission, at a meeting to be heard in support of their submission.**
 - c. Copies of submissions (including submitters' names and addresses) will be made available at the Council or Special Committee meeting at which the proposals are considered and Council is required to make submissions available for public inspection for a period of twelve months.**
 - d. The time, date and place for hearing of submissions.**
- 4. Fix the time, date and place for hearing persons who wish to be heard in support of their submission at the 223 Hearing Session on 13 February 2013 at 11.30 am in the Council Chamber, Leongatha and include these details in the public notice.**
- 5. Advise those persons who wish to be heard in support of their submission of the date, time and place of the hearing of submissions as soon as possible.**
- 6. Receive a further Report at the next appropriate Council Meeting to discuss the outcome of the Section 223 process.**
- 7. Commence notification of the planning permit applications in accordance with the Planning and Environment Act 1987. That no final decision on the planning permit applications be made until completion of the Section 190 and 223 processes of the Local Government Act 1989.**

MOVED: Cr Davies

SECONDED: Cr Newton

THAT COUNCIL:

- 1. APPROVE COMMENCEMENT OF THE STATUTORY PROCEDURES PURSUANT TO SECTION 190 AND SECTION 223 OF THE LOCAL GOVERNMENT ACT 1989 FOR THE PROPOSED LEASE OF THE FOLLOWING SITES:**

Address	Legal Description
Part of 2746 Meeniyah-Promontory Road, Yanakie	Lot 1 on TP887244 and being the land comprised in Certificate of title volume 0871 folio 293
Part of 6 Port Welshpool Road, Port Welshpool	Crown Allotment 1A, Township of Port Welshpool being Crown land temporarily reserved for camping and recreation purposes.

- 2. GIVE PUBLIC NOTICE IN THE WEEK COMMENCING 7 JANUARY 2013 OF THE PROPOSAL IN ACCORDANCE WITH SECTION 190 AND 223 OF THE LOCAL GOVERNMENT ACT 1989.**
- 3. IN THE PUBLIC NOTICE CLEARLY STATE:**
 - a. A PERSON MAY MAKE A SUBMISSION TO THE PROPOSAL NO LATER THAN 5:00PM ON 5 FEBRUARY 2013 ADDRESSED TO THE CHIEF EXECUTIVE OFFICER, SOUTH GIPPSLAND SHIRE COUNCIL, PRIVATE BAG 4, LEONGATHA 3953 OR DELIVERED TO THE COUNCIL OFFICE, 9 SMITH STREET, LEONGATHA.**
 - b. ANY PERSON MAKING A WRITTEN SUBMISSION IS ENTITLED TO STATE IN THEIR SUBMISSION THAT HE OR SHE WISHES TO APPEAR IN PERSON, OR BE REPRESENTED BY A PERSON SPECIFIED IN THE SUBMISSION, AT A MEETING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION.**
 - c. COPIES OF SUBMISSIONS (INCLUDING SUBMITTERS' NAMES AND ADDRESSES) WILL BE MADE AVAILABLE AT THE COUNCIL OR SPECIAL COMMITTEE MEETING AT WHICH THE PROPOSALS ARE CONSIDERED AND COUNCIL IS REQUIRED TO MAKE SUBMISSIONS AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD OF TWELVE MONTHS.**
 - d. THE TIME, DATE AND PLACE FOR HEARING OF SUBMISSIONS.**

4. **FIX THE TIME, DATE AND PLACE FOR HEARING PERSONS WHO WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION AT THE 223 HEARING SESSION ON 13 FEBRUARY 2013 AT 11.30 AM IN THE COUNCIL CHAMBER, LEONGATHA AND INCLUDE THESE DETAILS IN THE PUBLIC NOTICE.**
5. **ADVISE THOSE PERSONS WHO WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION OF THE DATE, TIME AND PLACE OF THE HEARING OF SUBMISSIONS AS SOON AS POSSIBLE.**
6. **RECEIVE A FURTHER REPORT AT THE NEXT APPROPRIATE COUNCIL MEETING TO DISCUSS THE OUTCOME OF THE SECTION 223 PROCESS.**
7. **COMMENCE NOTIFICATION OF THE PLANNING PERMIT APPLICATIONS IN ACCORDANCE WITH THE PLANNING AND ENVIRONMENT ACT 1987. THAT NO FINAL DECISION ON THE PLANNING PERMIT APPLICATIONS BE MADE UNTIL COMPLETION OF THE SECTION 190 AND 223 PROCESSES OF THE LOCAL GOVERNMENT ACT 1989.**

CARRIED UNANIMOUSLY

Attachment 1
Letters received from NBN dated 17 December 2012 - Yanakie



NBN Co
Limited



ERICSSON



visionstream

17th December 2012

Attn : Helen Heley
Property Officer
South Gippsland Shire Council
9 Smith St
Leongatha, VIC, 3953

Dear Helen,

**RE: PROPOSED NBN NETWORK BASE STATION FACILITY –
2746 MEENIYAN-PROMONTORY ROAD / LOT 1 TP 887244 –
HEADS OF TERMS AGREEMENT**

We wish to confirm that Ericsson acts on behalf of NBN Co. as project manager to establish the infrastructure required to facilitate the fixed radio (wireless) component of the National Broadband Network.

Ericsson has in turn engaged Visionstream to undertake preliminary environmental, design and site acquisition investigations in relation to the establishment of the required radio base station infrastructure for the network. As part of these investigations the property in your ownership/management has been identified as a suitable candidate to establish a radio base station so as to enable and provide high quality wireless broadband services to the local community.

We are seeking confirmation of your in-principle support for the proposal on your property so NBN Co. can make a final assessment of the candidate site to progress with. Your in-principle approval will subsequently allow NBN Co. to proceed with detailed design drawings, required planning approvals and formalising a tenure agreement with a degree of confidence.

In order to ensure there is mutual support for this proposal and to proceed to the next stage of our discussions, please find below an outline of our proposal for your consideration.

INSTALLATION PROPOSAL

NBN Co. would propose to install on the property a radio network base station facility comprising of:

- A Monopole of approximately 40 m in height
- Ground equipment units at the base of the facility

Detailed drawings of the facility are attached for your review and approval.

The location of the facility on the property will be in accordance with our discussions / as shown in the attached diagram.

Attachment 1
Letters received from NBN dated 17 December 2012 - Yanakie

Construction of the facility will take 4-6 weeks of intermittent works and will be coordinated with you. Once installed the facility is remotely monitored and ongoing visits will be rare. NBN Co. will require 24 x 7 access however in the event of equipment failure in accordance with mutually agreed protocols.

NBN Co. will look to establish a separately metered electricity supply for the facility as directed by the local power authority. In the unlikely event that a separate supply is not possible we would look to agree an appropriate reimbursement arrangement.

COMMERCIAL ARRANGEMENTS

NBN Co. would look to enter into a formal tenure agreement with the landowner to protect both parties' interests. The essential terms of this agreement are proposed as follows for your consideration.

Rent:	\$ 8000 gross exclusive of GST. This is a gross rent and is inclusive of all rates, taxes, statutory and building outgoings.
Term:	20 years
Rent Reviews:	2.5% per annum
Commencement:	The date the parties execute the tenure agreement or earlier by mutual agreement.
Permitted Use:	NBN Co. will use the Premises for the purpose of constructing, maintaining and operating a telecommunications network and telecommunications service. The Tenant may at any time during the Term install, remove, modify, vary, maintain, use and operate on the Premises such Equipment as is necessary for the use permitted by this Lease now and in the future

The rental offer is based on parameters provided by NBN Co. and is considered representative of typical commercial arrangements for similar communications installations in the region and fair compensation for the limited area of land being utilised. The NBN network is a commonwealth government initiative to provide an open access broadband service to local communities and is not being deployed by a commercial operator for direct financial gain. In this context NBN Co. has strict rental budgets and such operational costs will be a consideration in determining the candidate site to proceed with.

Note that entering into this proposal on the above terms and conditions is subject to:

1. Approval by NBN Co.'s financial delegate
2. Lessor's approval of plans
3. Obtaining the necessary Town Planning Approval
4. Lessor to provide a valid ABN for the owner of the land as stated on the Certificate Title in accordance with Taxation Law to enable rental payments.

NBN Co. has a standard form of lease which we proposed to be utilised as the basis for formal agreement. Once NBN Co. has confirmed its intent to proceed with the facility on your property a formal document will be issued for review and execution. This can naturally be referred to your legal advisor but please note that each party will be required to pay their own legal costs.

Attachment 1
Letters received from NBN dated 17 December 2012 - Yanakie

MOVING FORWARD:

We would kindly ask that should you wish to proceed with this proposal, please confirm your acceptance of the installation design and commercial arrangements by signing and dating the last page of this Heads of Terms Agreement and returning it to us **by fax/email and the original by return post.**

If you have any further queries, please do not hesitate to contact me on 0419 032 558

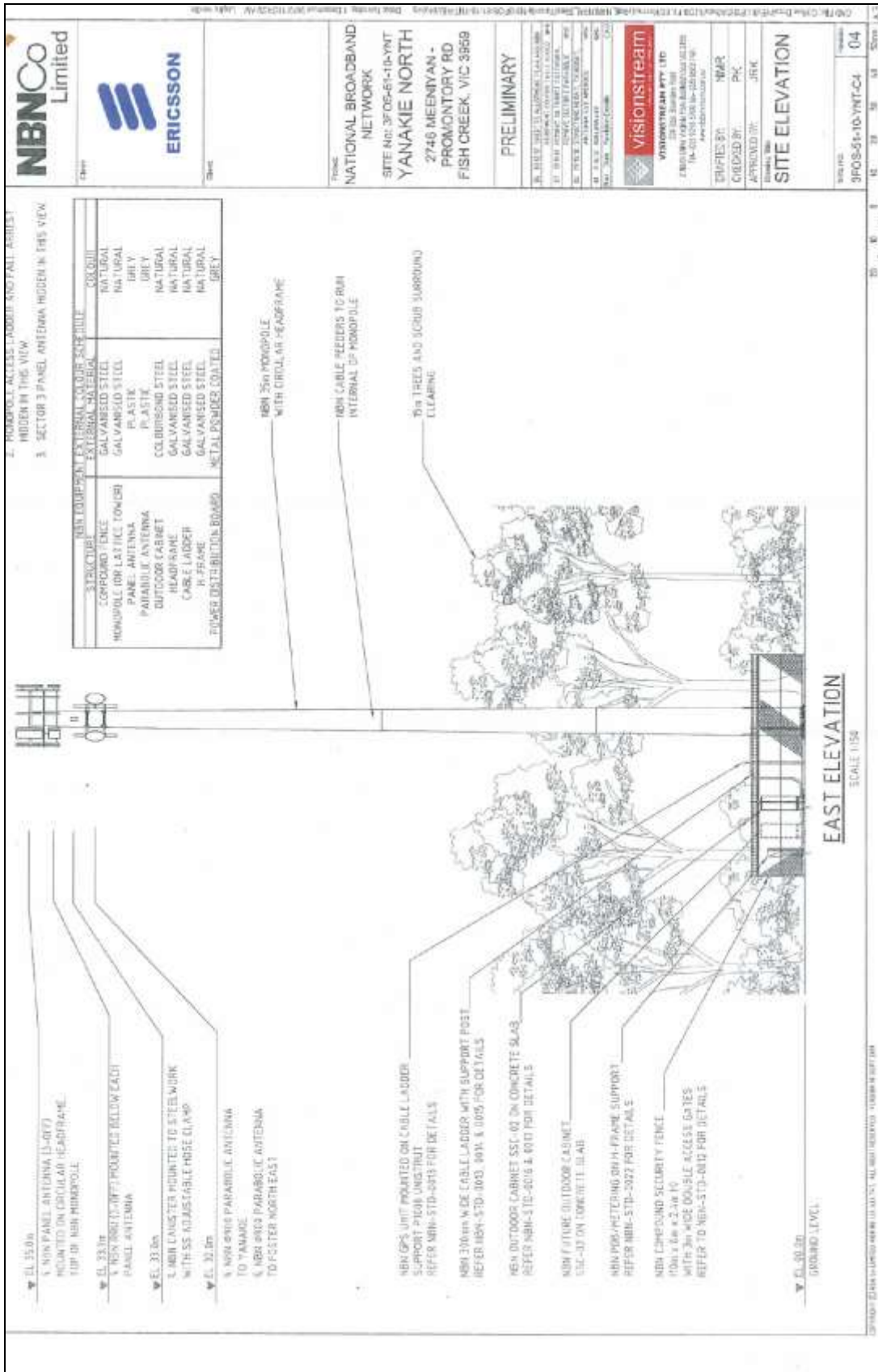
Yours Sincerely



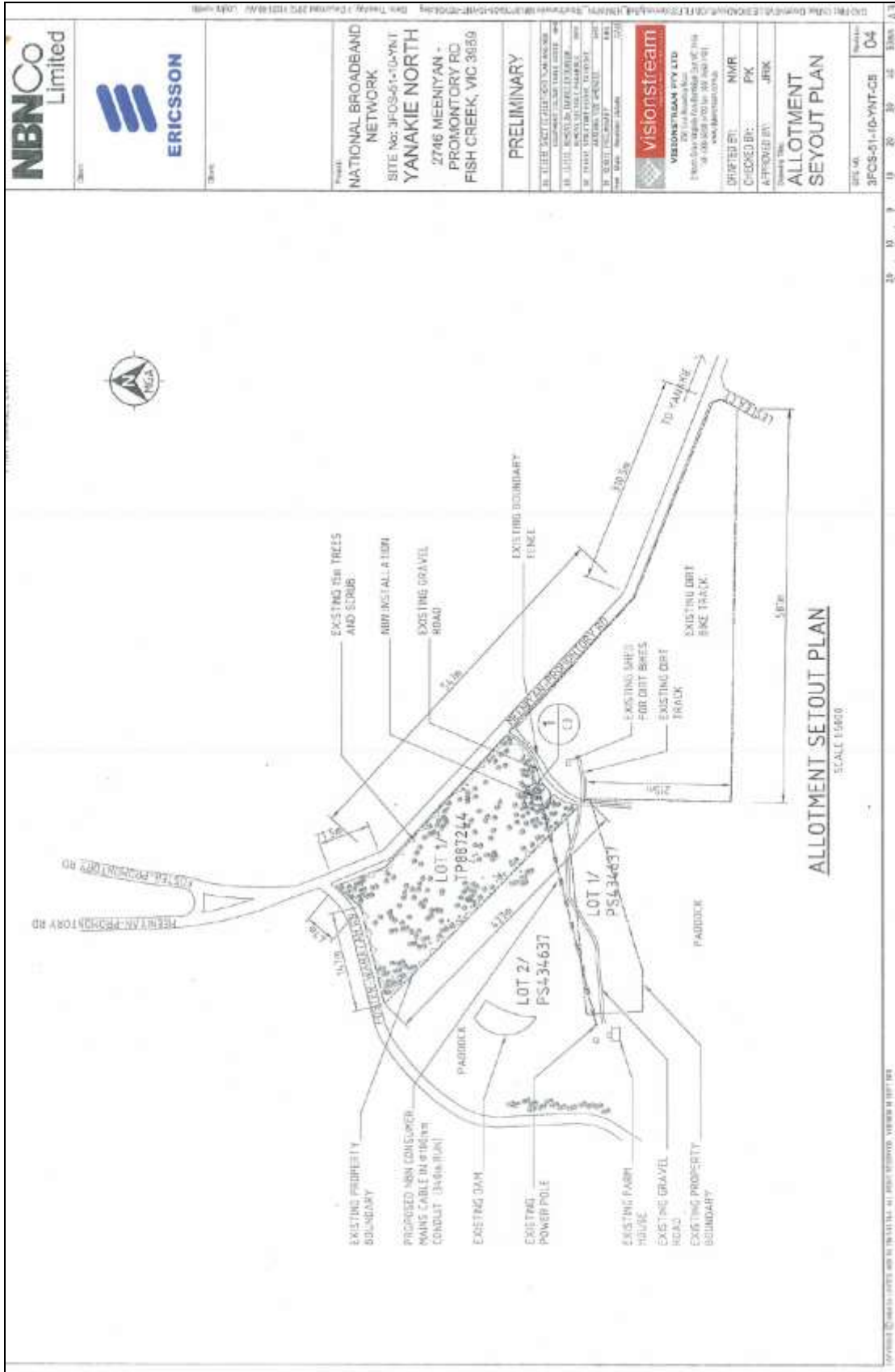
Gavin Sherriff
Site Acquisition Team Leader

Ericsson Fixed Wireless Project (NBN)
T (03) 9575 4189 F (03) 9258 5879 M 0419 032 558
E gavin.sherriff@visionstream.com.au




Attachment 1
Letters received from NBN dated 17 December 2012 – Yanakie



Attachment 1 Letters received from NBN dated 17 December 2012 - Yanakie



Attachment 1
Letters received from NBN dated 17 December 2012 - Port Welshpool



17th December 2012

Attn : Helen Heley
Property Officer
South Gippsland Shire Council
9 Smith St
Leongatha, VIC, 3953

Dear Helen,

**RE: PROPOSED NBN NETWORK BASE STATION FACILITY –
6 PORT WELSHPOOL ROAD PORT WELSHPOOL (LONG JETTY CARAVAN PARK)
ALLOTMENT 1A TOWNSHIP OF PORT WELSHPOOL –
HEADS OF TERMS AGREEMENT**

We wish to confirm that Ericsson acts on behalf of NBN Co. as project manager to establish the infrastructure required to facilitate the fixed radio (wireless) component of the National Broadband Network.

Ericsson has in turn engaged Visionstream to undertake preliminary environmental, design and site acquisition investigations in relation to the establishment of the required radio base station infrastructure for the network. As part of these investigations the property in your ownership/management has been identified as a suitable candidate to establish a radio base station so as to enable and provide high quality wireless broadband services to the local community.

We are seeking confirmation of your in-principle support for the proposal on your property so NBN Co. can make a final assessment of the candidate site to progress with. Your in-principle approval will subsequently allow NBN Co. to proceed with detailed design drawings, required planning approvals and formalising a tenure agreement with a degree of confidence.

In order to ensure there is mutual support for this proposal and to proceed to the next stage of our discussions, please find below an outline of our proposal for your consideration.

INSTALLATION PROPOSAL

NBN Co. would propose to install on the property a radio network base station facility comprising of:

- A Monopole of approximately 35 m in height
- Ground equipment units at the base of the facility

Detailed drawings of the facility are attached for your review and approval.

Attachment 1
Letters received from NBN dated 17 December 2012 - Port Welshpool

The location of the facility on the property will be in accordance with our discussions / as shown in the attached diagram.

Construction of the facility will take 4-6 weeks of intermittent works and will be coordinated with you. Once installed the facility is remotely monitored and ongoing visits will be rare. NBN Co. will require 24 x 7 access however in the event of equipment failure in accordance with mutually agreed protocols.

NBN Co. will look to establish a separately metered electricity supply for the facility as directed by the local power authority. In the unlikely event that a separate supply is not possible we would look to agree an appropriate reimbursement arrangement.

COMMERCIAL ARRANGEMENTS

NBN Co. would look to enter into a formal tenure agreement with the landowner to protect both parties' interests. The essential terms of this agreement are proposed as follows for your consideration.

Rent: \$ 8000 gross exclusive of GST. This is a gross rent and is inclusive of all rates, taxes, statutory and building outgoings.

Term: 20 years

Rent Reviews: 2.5% per annum

Commencement: The date the parties execute the tenure agreement or earlier by mutual agreement.

Permitted Use: NBN Co. will use the Premises for the purpose of constructing, maintaining and operating a telecommunications network and telecommunications service. The Tenant may at any time during the Term install, remove, modify, vary, maintain, use and operate on the Premises such Equipment as is necessary for the use permitted by this Lease now and in the future

The rental offer is based on parameters provided by NBN Co. and is considered representative of typical commercial arrangements for similar communications installations in the region and fair compensation for the limited area of land being utilised. The NBN network is a commonwealth government initiative to provide an open access broadband service to local communities and is not being deployed by a commercial operator for direct financial gain. In this context NBN Co. has strict rental budgets and such operational costs will be a consideration in determining the candidate site to proceed with.

Note that entering into this proposal on the above terms and conditions is subject to:

1. Approval by NBN Co.'s financial delegate
2. Lessor's approval of plans
3. Obtaining the necessary Town Planning Approval
4. Lessor to provide a valid ABN for the owner of the land as stated on the Certificate Title in accordance with Taxation Law to enable rental payments.

NBN Co. has a standard form of lease which we proposed to be utilised as the basis for formal agreement. Once NBN Co. has confirmed its intent to proceed with the facility on your property a

Attachment 1
Letters received from NBN dated 17 December 2012 - Port Welshpool

formal document will be issued for review and execution. This can naturally be referred to your legal advisor but please note that each party will be required to pay their own legal costs.

MOVING FORWARD:

We would kindly ask that should you wish to proceed with this proposal, please confirm your acceptance of the installation design and commercial arrangements by signing and dating the last page of this Heads of Terms Agreement and returning it to us **by fax/email and the original by return post.**

If you have any further queries, please do not hesitate to contact me on 0419 032 558

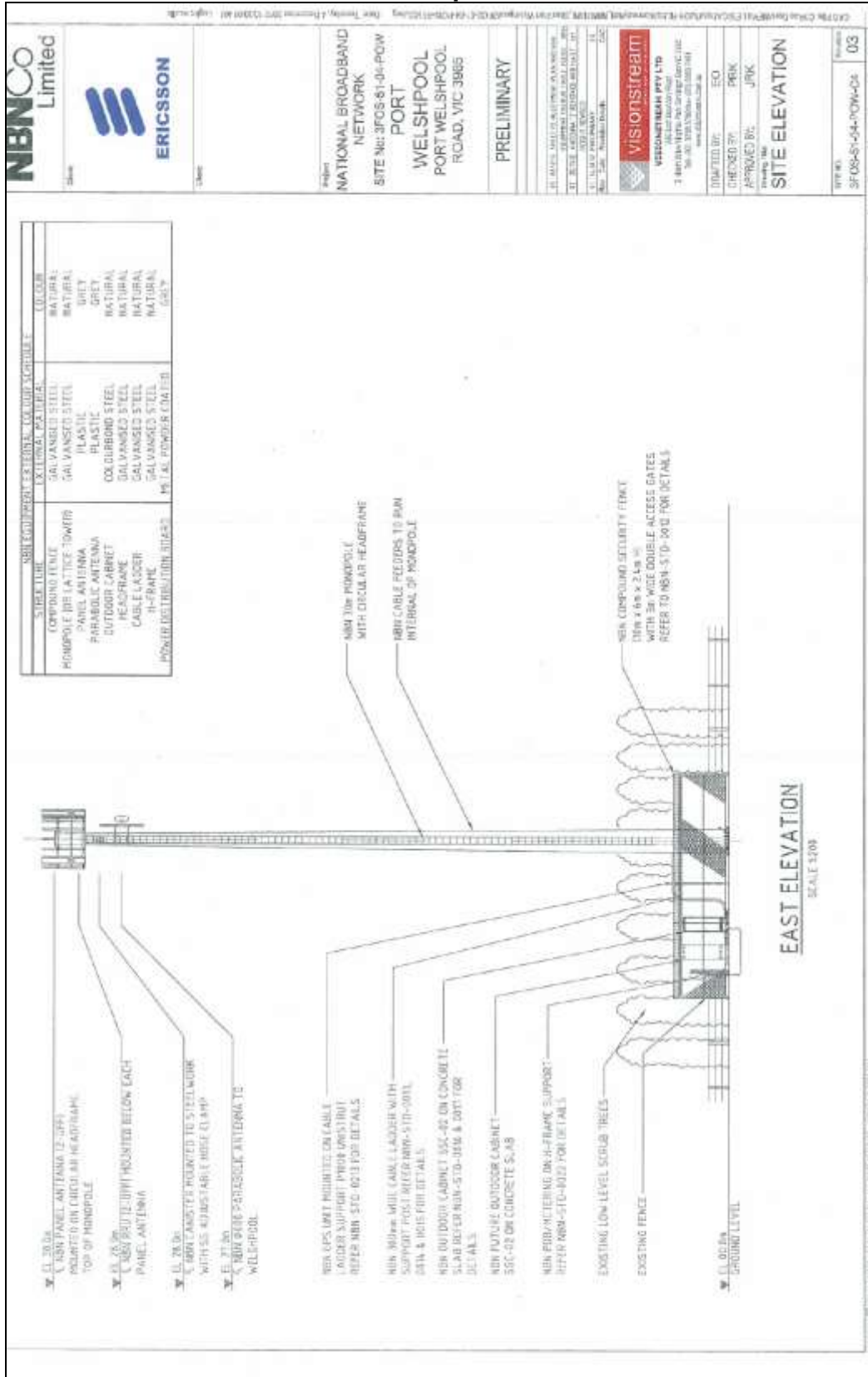
Yours Sincerely



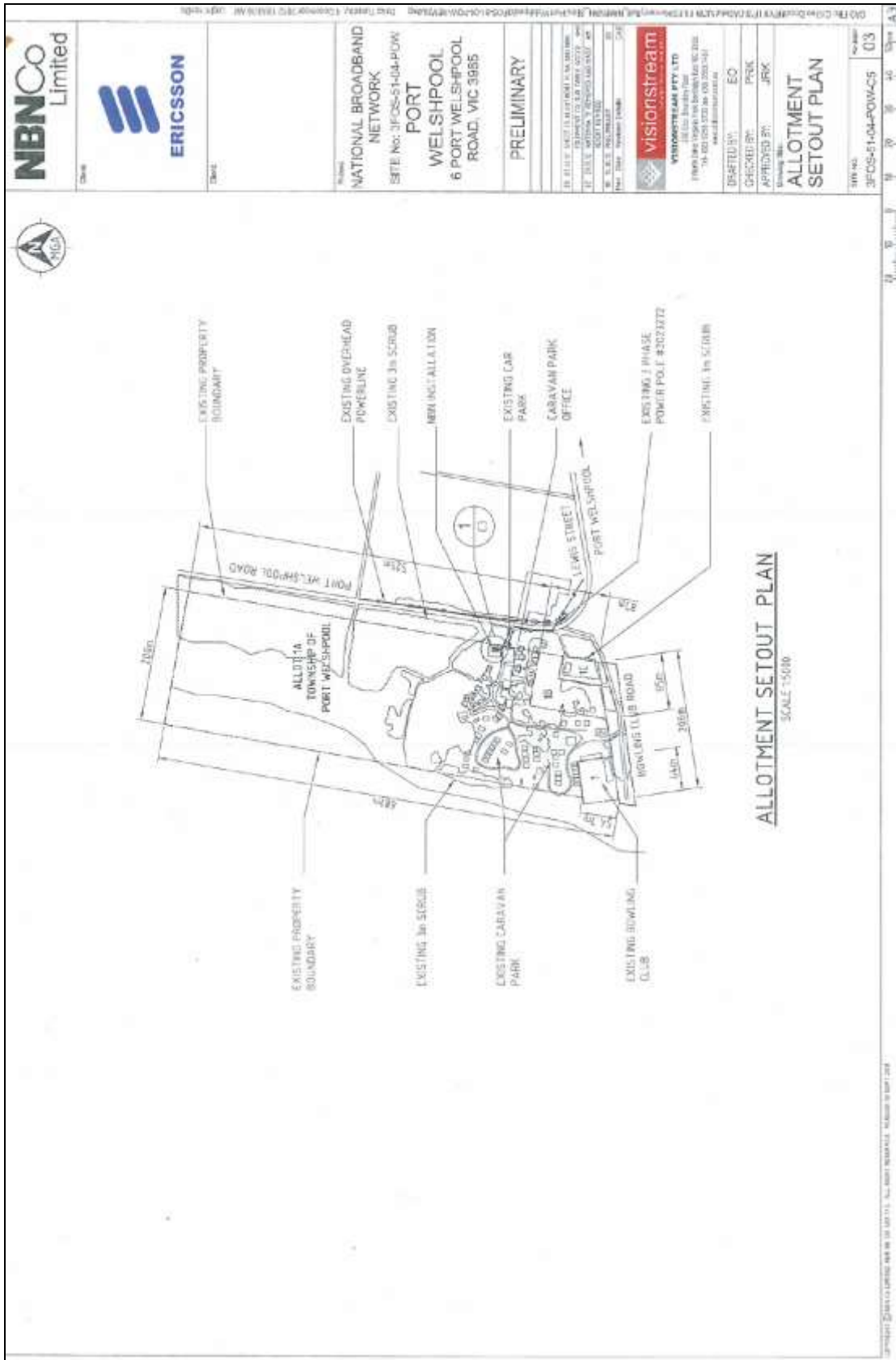
Gavin Sherriff
Site Acquisition Team Leader

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Attachment 1
Letters received from NBN dated 17 December 2012 - Port Welshpool



Attachment 1
Letters received from NBN dated 17 December 2012 - Port Welshpool



NBN Co Limited	ERICSSON	VISIONstream
NATIONAL BROADBAND NETWORK SITE No: 3FC05-S104-POW PORT WELSHPOOL 6 PORT WELSHPOOL ROAD, VIC 3955		VISIONstream PTY LTD 100 East Boundary Drive From 19th Floor, 100 East Boundary Drive Melbourne VIC 3000 Australia Tel: +61 3 9593 3333 Fax: +61 3 9593 3333 www.visionstream.com.au
PRELIMINARY		DRAWN BY: EC CHECKED BY: PRK APPROVED BY: JPK DATE: 17/12/2012
ALLOTMENT SETOUT PLAN		DWG NO: 3FC05-S104-POW-A-5 REV: 013

**Attachment 2
Locality Plan for Site 1 - Yanakie**



Attachment 3
Locality Plan for Site 2 - Port Welshpool



Attachment 4
Section 190 of the Local Government Act 1989

190 Restriction on power to lease land

A Council's power to lease any land to any person is limited to leases for a term of 50 years or less.

Subject to any other Act, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.

(3) If the lease is to be—

(a) for 1 year or more and—

(i) the rent for any period of the lease is \$50 000 or more a year; or

(ii) the current market rental value of the land is \$50 000 or more a year; or

(b) for 10 years or more; or

(c) a building or improving lease—

the Council must at least 4 weeks before the lease is made publish a public notice of the proposed lease.

A person has a right to make a submission under section 223 on the proposed lease.

SECTION G – GENERAL QUESTION TIME

G.1 QUESTION TIME

Ms Danika Dent representing The Sentinel Times asked a question of Council relating to Item E.7 - PLANNING PANEL REPORT - PLANNING SCHEME AMENDMENTS C70, C71, C52 AND C66 and how does a business zone keep community uses of the site? How can Council commit to this?

Mr Phil Stone, Director of Development Services responded by explaining that the business zone does permit community use and the aspect of existing user rights.

Ms Danika Dent asked a further question relating to Farm Differential Rates.

Cr Hill responded by indicating that discussions regarding this will be forthcoming with discussions of Council's Budget process.

Ms Danika Dent ask if the Victorian Farmers Federation (VFF) and Bass Coast Shire will be included in the discussions.

Cr Hill responded by indicating that the VFF Bass Coast Shire have not been included in discussions and that differential rate legislation has been introduced into the Local Government Act 1989.

Ms Danika Dent asked a question regarding the Mayors repeated request for Councillors to use 'through the Chair' in their addresses to the Chair.

The Mayor, Cr Kennedy responded by indicating that the Local Law No.3 which sets out Meeting Procedures needs to be upheld.

G.2 ANSWERS TO PREVIOUS QUESTIONS ON NOTICE

Nil

CLOSED SESSION

Consideration of confidential matters under the Local Government Act 1989, Section 89(2).

According to Section 89 of the Local Government Act 1989 (the Act), Council may consider items in closed session. There must be a resolution to move 'In Committee' stating the reasons why the matter(s) need to be considered in this way. The reasons provided for within the Act are matters concerning personnel, personal hardship, industrial issues, contracts, proposed developments, legal advice or any other matter that Council considers would be prejudicial, to it or any other person.

Once 'In Committee' discussions and debate have concluded, a further resolution to resume open Council is required.

- ITEM 1 2013 AUSTRALIA DAY AWARDS SELECTION**
- ITEM 2 2012-2013 COMMUNITY GRANTS PROGRAM – ROUND 1 ALLOCATION**
- ITEM 3 PROPOSED DEVELOPMENT**
- ITEM 4 CONTRACTUAL MATTER**
- ITEM 5 PERSONNEL MATTER**
- ITEM 6 PROPOSED DEVELOPMENT**
- ITEM 7 PROPOSED DEVELOPMENT**
- ITEM 8 CONTRACTUAL MATTER**
- ITEM 9 CONTRACTUAL MATTER**
- ITEM 10 CONTRACTUAL MATTER**
- ITEM 11 CONTRACTUAL MATTER**
- ITEM 12 CONTRACTUAL MATTER**

MOVED: Cr Hill

SECONDED: Cr McEwen

**THAT THE ORDER OF BUSINESS BE MOVED TO NOW CONSIDER
CLOSED ITEM 7 – COUNCIL LAND REALISATION PROJECT IN OPEN
SESSION.**

CARRIED

**For: Crs Brunt, Hill, Hutchinson-Brooks, McEwen, Harding,
Kennedy and Newton.**

Against: Crs Fawcett and Davies.

ITEM 7 COUNCIL LAND REALISATION PROJECT

Engineering Services Directorate

EXECUTIVE SUMMARY

This report is presented to Council to:

1. Discuss Council's Land Realisation Project and the identification of land surplus to Council's needs and recommended for sale.
2. Present the results of the assessment in the form of a Rolling Land Realisation Program.
3. Recommend commencing a land sales program for financial years 2012/13 and 2013/14, and present a list of proposed properties for sale.

DOCUMENTS PERTAINING TO THIS COUNCIL REPORT

- **Attachment 1** - The Framework
- **Attachment 2** - Rolling Land Realisation Program
- **Attachment 3** - Land Sales Program 2012/13 and 2013/14
- **Attachment 4** - Locality plans for properties listed in Attachment 3

LEGISLATION

Local Government Act 1989, Sections 189 and 223

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

- Council Land Ownership Policy 2011
- Asset Management Policy 2007

- Draft Economic Development and Tourism Strategy
- Individual township plans and strategies

COUNCIL PLAN

Strategic Goal:	5.	A Leading Organisation
Outcome:	5.2	Systems and Processes
Strategy No:	5.2.2	Asset Management Planning

CONSULTATION

Internal consultation has included presentations at Council Briefing Sessions and a report to Council as listed below:

Briefing Sessions

6 July 2011	Introduced the context of the Council Land Ownership Policy and Council Land Realisation Project.
3 August 2011	To present the Council Land Ownership Policy in anticipation of a Council report seeking adoption.
13 June 2012	To discuss the Council Land Realisation Project and present the project framework.

Council Meeting

24 August 2011	Council Land Ownership Policy adoption.
----------------	---

Also, internal meetings were held with representation from most departments of Council. At the meetings Council's properties were assessed. The representation ensured a broad range of opinions were captured relating to the existing use and ongoing need for the properties.

Public consultation will occur as part of Council's statutory obligations when dealing with its properties.

REPORT

Background

The last review of Council's properties was undertaken in 1996 with a view to identifying their appropriateness and whether or not it should be considered surplus to Council's needs and targeted for sale. The end result of the review was the selection of a number of properties recommended for sale. This list of properties was not exhaustive and the review did not result in the development of a rolling program.

Since this review, sales of properties have been conducted ad hoc, often responding to approaches from adjoining landowners or the private sector.

Any future sales of properties should be informed by Council's existing and proposed policies and strategic initiatives. In doing this, progressively, land sales and property development opportunities will be created through a transparent and public process and after having conducted a due diligence exercise.

Accordingly, the Framework was developed as shown in **Attachment 1**. The Framework aims to contribute to an orderly and transparent approach in the delivery of the Council Land Realisation Project (the Project).

Discussion

Project Objectives

The objectives of the Project are to:

1. Align Council's property sales and development with Council's policy direction, strategic initiatives and inter-departmental plans.
2. Plan for the sale and development of Council's properties by assessing candidate sites and preparing a list of land sales/development projects to be rolled out over a dedicated period (over 5-10 years).
3. Identify opportunities for State and Federal Government grants and/or other funding opportunities to deliver optimum results (eg. Foster Depot land).
4. Draw upon the resources and active involvement of the private sector for those Council properties suitable for inclusion in private land development projects that are strategically significant to the Shire (eg. Korumburra Central - library site).
5. Improve public amenity and facilities.
6. Provide a financial return to Council and the Community.

Project Deliverables

The deliverables for this Project included:

1. Council adoption of the Council Land Ownership Policy 2011.
2. Development of the Framework.
3. Assessment and identification of properties for sale and/or project development.
4. Preparation of a list of land sales/project development to be rolled out over a number of years.

The Framework

The Framework had four phases to be delivered over approximately 12 months. The methodology for each phase was as follows:

Phase 1: Collation

An analysis of Council's properties through a comparison of the Property Register, Building Asset Register, Title Register and Lease Register in order to develop a single database / spreadsheet that identifies council's properties and development assessment criteria (area, zoning, legal status, improvements, status and constraints).

Phase 2: Group Assessment

An assessment of Council properties identified from phase 1 above at internal meetings. The existing use, future need use and potential issues of each property was discussed.

Phase 3: Rank and Score

With the knowledge gained from Phase 2, there remained other matters to investigate. These other matters included identifying land tenure, zoning, environmental, servicing, contamination and heritage. To assess these matters, a matrix was developed to rank and score the properties.

The outcome was a list of surplus council properties for sale and/or project development ranked in order of ease of delivery. These are listed in **Attachment 2 - Rolling Land Realisation Program**.

Phase 4: Project Initiation

With the list of properties from Phases 2 and 3, Phase 4 involves:

1. Seeking Council approval to commence the statutory procedures for sale and planning scheme amendments.
2. Establishing a budget and seeking funding for project studies.

Options

The preferred option is for Council to establish a Rolling Land Realisation Program (sales program). The sales program is approximately 6 - 7 years in duration and can commence with the properties listed in **Attachment 3 - Land Sales Program 2012/13 and 2013/14**.

Some of these properties will require a permit to remove the reservation status pursuant to Section 24A of the Subdivision Act, 1988 (which can be done in one application). These properties are not in a public use zone pursuant to the South Gippsland Planning Scheme and as such, do not require a planning scheme amendment (rezoning).

The alternative option of retaining the status quo and handling property sales in an ad hoc manner does not demonstrate Council's strategic planning and efficient management of its property portfolio.

Proposal

It is proposed that Council proceed as follows:

Land Realisation Program

Commence the sales program for those properties listed in **Attachment 3**. These properties have been selected due to their relative ease of sale given:

- Existing use
- Future need
- Impact to the community
- Existing zoning
- Mix of localities to avoid a focus on any particular township

Locality plans for the above properties are provided in **Attachment 4**.

Removal of Reservation Status

In preparing the properties listed in **Attachment 3** for sale, some will require removal of a reservation status. This is achieved by Council preparing plans of subdivision pursuant to Section 24A of the Subdivision Act, 1988 and applying for a planning permit. Although separate plans will be required, they can all be included in one permit application.

The public notice for these properties will need to include the fact that a permit is required to remove the reservation status.

Timeframe

It is proposed to roll-out the public notices over a 2 year period and not all in one notice. The properties listed in **Attachment 3** are in order of roll-out.

FINANCIAL CONSIDERATIONS

The actual amounts estimated to be achieved from sales of surplus Council land is identified on the spreadsheets at **Attachment 2**. However, these are estimates only and valuations for each property will be required upon Council resolution to proceed with the statutory procedures.

Expenditure accounts can be created for the costs associated with Council land sales. Proceeds from sales will be applied to the expenditure account and the balance placed into Council's general revenue account. Proceeds

from the sale of land identified as public open space must be reinvested into public open space.

Estimated income for the period 2013/14 - 2014/15 of the Rolling Land Realisation Program is \$2,205,000.

RISK FACTORS

The Project will contribute to reducing the likelihood of increased risk to Council should it continue to manage its land assets ad hoc.

The Rolling Land Realisation Program will reduce risks in the following areas:

- Public liability.
- Ongoing and increased maintenance costs for surplus assets.
- Unnecessary capital renewals.
- Poor planning.

However it should be noted that there is likely to be a negative community reaction to the sale of Council land.

CONCLUSION

Through the Framework, Council can demonstrate a thorough and systematic assessment to the development of the Rolling Land Realisation Program.

The Framework aligns property sales and development with Council's policy direction, strategic initiatives and plans. It also demonstrates that Council is strategically planning for the sale and development of its properties and working to improve public amenity and facilities.

Property sales will provide a financial return to Council and the community.

RECOMMENDATION

- 1. That Council establishes a Rolling Land Realisation Program for the properties identified in Attachment 2.**
- 2. That Council commence the statutory procedures pursuant to Section 189 and Section 223 of the Local Government Act 1989 (Act) for the sale of the Council owned properties listed in Table 1 below:**

	Address	Legal Description
1	Gilfedder Tce, Mirboo North	Reserve No. 2 on Plan of Subdivision 3025076 Certificate of title volume 10105 folio 897

	Address	Legal Description
2	Juno Road, Venus Bay	Lot 4 on Plan of Subdivision 312565K. Certificate of title volume 10134 folio 107
3	Attenborough Court, Poowong	Recreation and drainage reserve on Plan of Subdivision 136812 Certificate of Title volume 9485 folio 549
4	Outtrim Rd, Leongatha South	Crown allotment 76B, Parish of Leongatha. Crown Grant Volume 3457 Folio 292
5	Smith St, Loch	Lot 7 on Plan of Subdivision 1887. Certificate of Title Volume 4523 Folio 503
6	River Drive, Tarwin Lower	Crown Allotment 31, Section 1 Certificate of Title Volume 2470 Folio 902
7	Noble St, Venus Bay	Lot 1 on Plan of Subdivision PS439059S Certificate of Title Volume 439059S
8	Inglis Ave, Mirboo North	Crown allotment 44, Section 3 Certificate of Title Volume 10040 Folio 484
9	Baromi Road, Baromi	Lots 57 & 58 on Plan of Subdivision 1374 Certificate of Title Volume 10284 Folio 481
10	Main St, Buffalo	Lot 2 on Plan of Subdivision 305603U Certificate of Title Volume 10697 Folio 806
11	Pioneer St, Foster	Lot 1 on Plan of Subdivision 87250 Certificate of Title Volume 8842 Folio 986
12	Fishermans Road, Venus Bay	Reserve on Plan of Subdivision 56447 Certificate of Title Volume 9900/612
13	McDonald St, Meeniyah	Crown Allotment 9, Section 2 Certificate of Title volume 6334 Folio 789
14	Gary Court, Venus Bay	Reserve on Plan of Subdivision 56451 Certificate of Title Volume 9900 Folio 617
15	June Court, Venus Bay	Reserve on Plan of Subdivision 56447 Certificate of Title Volume 9900 Folio

	Address	Legal Description
		612
16	Whitelaw Street, Meeniyan	Lot 1 on Plan of Subdivision 71040 Certificate of Title volume 8623 Folio 481
17	Margaret Ave, Venus Bay	Reserve on Plan of Subdivision 56450 Certificate of Title Volume 9900 Folio 616
18	McMillan Avenue, Venus Bay	Reserve on Plan of Subdivision 56449 Certificate of Title Volume 9900 Folio 615
19	Neil St, Venus Bay	Reserve on Plan of Subdivision 56448 Certificate of Title Volume 9900 Folio 613
20	Bent St, Leongatha	Reserve on Lodged Plan 96024 Certificate of Title Volume 8723 Folio 795
21	Sandy Point Road, Sandy Point	Lot 1 on Plan of Subdivision PS410266Y. Certificate of Title Volume 10383 Folio 082.

3. That Council gives public notice on its Noticeboard section of the local newspapers in accordance with Sections 189 and 223 of the Act of its intention to sell the properties listed in Table 1 above.
4. That the properties listed in Table 1 above shall:
 - a. Be sold by public auction or, if passed in at auction, by private treaty.
 - b. Set a reserve price on advice from Council's valuer, which advice is not to be more than 6 months old at the time of signing of contracts of sale.
5. That Council authorise the Chief Executive Officer or his delegate to negotiate the sale within 10% of the reserve price in the event that the reserve price is not achieved.
6. That the notices referred to in item 3 above in respect of the those properties listed in Table 2 below shall state Council's intention to sell the land is subject to Council obtaining a planning permit authorising the removal of the reserve status from each property and procuring the registration of such plan at the Land Registry.

	Address	Legal Description
--	----------------	--------------------------

1	Gilfedder Tce, Mirboo North	Reserve No. 2 on Plan of Subdivision 3025076 Certificate of title volume 10105 folio 897
3	Attenborough Court, Poowong	Recreation and drainage reserve on Plan of Subdivision 136812 Certificate of Title volume 9485 folio 549
12	Fishermans Road, Venus Bay	Reserve on Plan of Subdivision 56447 Certificate of Title Volume 9900/612
14	Gary Court, Venus Bay	Reserve on Plan of Subdivision 56451 Certificate of Title Volume 9900 Folio 617
15	June Court, Venus Bay	Reserve on Plan of Subdivision 56447 Certificate of Title Volume 9900 Folio 612
17	Margaret Ave, Venus Bay	Reserve on Plan of Subdivision 56450 Certificate of Title Volume 9900 Folio 616
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19	Neil St, Venus Bay	Reserve on Plan of Subdivision 56448 Certificate of Title Volume 9900 Folio 613
20	Bent St, Leongatha	Reserve on Lodged Plan 96024 Certificate of Title Volume 8723 Folio 795

7. That each public notice clearly states:
- a. A person may make a submission to the proposal
 - b. The date and time by which the submission is to be received at Council.
 - c. That the submission is to be addressed to the Chief Executive Officer, South Gippsland Shire Council, Private Bag 4, Leongatha 3953 or delivered to the Council Office, 9 Smith Street, Leongatha.
 - d. That any person making a written submission is entitled to state in their submission that he or she wishes to appear in person, or be represented by a person specified in the submission, at a meeting to be heard in support of their submission.

- e. **That copies of submissions (including submitters' names and addresses) will be made available at the Council or Special Committee meeting at which the proposals are considered and Council is required to make submissions available for public inspection for a period of twelve months.**
 - f. **The time, date and place for hearing of submissions.**
 - g. **Advise those persons who wish to be heard in support of their submission of the date, time and place of the hearing of submissions.**
- 8. **That Council considers any submissions received pursuant to Section 223 of the Act at a meeting to be held before a Committee of Council.**
 - 9. **That Council authorises Council's Chief Executive Officer to undertake the administrative procedures necessary to enable Council to carry out its functions under Section 223 of the Act in relation to this matter.**
 - 10. **That Council receive a further report at the next appropriate Council meeting to discuss the outcome of the Section 223 process.**
 - 11. **That Council further resolves that should no submissions be received in response to a public notice:**
 - a. **Authorise its Chief Executive Officer or his delegate to commence the statutory procedures to apply for a planning permit and take all necessary steps to remove the reservation status from the properties listed in Table 2 above pursuant to Section 24A of the Subdivision Act, 1988.**
 - b. **Authorise its Chief Executive Officer or his delegate to sign all documents in connection with the sale of the Properties and affix Council's common seal to the Transfers of Land and to any other documents requiring execution under the common seal of Council.**

MOVED: Cr Davies

SECONDED: Cr Fawcett

1. **THAT COUNCIL ESTABLISHES A ROLLING LAND REALISATION PROGRAM FOR THE PROPERTIES IDENTIFIED IN ATTACHMENT 2.**
2. **THAT COUNCIL COMMENCE THE STATUTORY PROCEDURES PURSUANT TO SECTION 189 AND SECTION 223 OF THE LOCAL GOVERNMENT ACT 1989 (ACT) FOR THE SALE OF THE COUNCIL OWNED PROPERTIES LISTED IN TABLE 1 BELOW:**

	ADDRESS	LEGAL DESCRIPTION
1	GILFEDDER TCE, MIRBOO NORTH	RESERVE NO. 2 ON PLAN OF SUBDIVISION 3025076 CERTIFICATE OF TITLE VOLUME 10105 FOLIO 897
2	JUNO ROAD, VENUS BAY	LOT 4 ON PLAN OF SUBDIVISION 312565K. CERTIFICATE OF TITLE VOLUME 10134 FOLIO 107
3	ATTENBOROUGH COURT, POOWONG	RECREATION AND DRAINAGE RESERVE ON PLAN OF SUBDIVISION 136812 CERTIFICATE OF TITLE VOLUME 9485 FOLIO 549
4	OUTTRIM RD, LEONGATHA SOUTH	CROWN ALLOTMENT 76B, PARISH OF LEONGATHA. CROWN GRANT VOLUME 3457 FOLIO 292
5	SMITH ST, LOCH	LOT 7 ON PLAN OF SUBDIVISION 1887. CERTIFICATE OF TITLE VOLUME 4523 FOLIO 503
6	RIVER DRIVE, TARWIN LOWER	CROWN ALLOTMENT 31, SECTION 1 CERTIFICATE OF TITLE VOLUME 2470 FOLIO 902
7	NOBLE ST, VENUS BAY	LOT 1 ON PLAN OF SUBDIVISION PS439059S CERTIFICATE OF TITLE VOLUME 439059S
8	INGLIS AVE, MIRBOO NORTH	CROWN ALLOTMENT 44, SECTION 3 CERTIFICATE OF TITLE VOLUME 10040 FOLIO 484
9	BAROMI ROAD, BAROMI	LOTS 57 & 58 ON PLAN OF SUBDIVISION 1374 CERTIFICATE OF TITLE VOLUME

	ADDRESS	LEGAL DESCRIPTION
		10284 FOLIO 481
10	MAIN ST, BUFFALO	LOT 2 ON PLAN OF SUBDIVISION 305603U CERTIFICATE OF TITLE VOLUME 10697 FOLIO 806
11	PIONEER ST, FOSTER	LOT 1 ON PLAN OF SUBDIVISION 87250 CERTIFICATE OF TITLE VOLUME 8842 FOLIO 986
12	FISHERMANS ROAD, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56447 CERTIFICATE OF TITLE VOLUME 9900/612
13	MCDONALD ST, MEENIYAN	CROWN ALLOTMENT 9, SECTION 2 CERTIFICATE OF TITLE VOLUME 6334 FOLIO 789
14	GARY COURT, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56451 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 617
15	JUNE COURT, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56447 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 612
16	WHITELAW STREET, MEENIYAN	LOT 1 ON PLAN OF SUBDIVISION 71040 CERTIFICATE OF TITLE VOLUME 8623 FOLIO 481
17	MARGARET AVE, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56450 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 616
18	MCMILLAN AVENUE, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56449 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 615
19	NEIL ST, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56448 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 613
20	BENT ST, LEONGATHA	RESERVE ON LODGED PLAN 96024 CERTIFICATE OF TITLE VOLUME 8723 FOLIO 795

	ADDRESS	LEGAL DESCRIPTION
21	SANDY POINT ROAD, SANDY POINT	LOT 1 ON PLAN OF SUBDIVISION PS410266Y. CERTIFICATE OF TITLE VOLUME 10383 FOLIO 082.

3. **THAT COUNCIL GIVES PUBLIC NOTICE ON ITS NOTICEBOARD SECTION OF THE LOCAL NEWSPAPERS IN ACCORDANCE WITH SECTIONS 189 AND 223 OF THE ACT OF ITS INTENTION TO SELL THE PROPERTIES LISTED IN TABLE 1 ABOVE.**
4. **THAT THE PROPERTIES LISTED IN TABLE 1 ABOVE SHALL:**
 - a. **BE SOLD BY PUBLIC AUCTION OR, IF PASSED IN AT AUCTION, BY PRIVATE TREATY.**
 - b. **SET A RESERVE PRICE ON ADVICE FROM COUNCIL'S VALUER, WHICH ADVICE IS NOT TO BE MORE THAN 6 MONTHS OLD AT THE TIME OF SIGNING OF CONTRACTS OF SALE.**
5. **THAT COUNCIL AUTHORISE THE CHIEF EXECUTIVE OFFICER OR HIS DELEGATE TO NEGOTIATE THE SALE WITHIN 10% OF THE RESERVE PRICE IN THE EVENT THAT THE RESERVE PRICE IS NOT ACHIEVED.**
6. **THAT THE NOTICES REFERRED TO IN ITEM 3 ABOVE IN RESPECT OF THE THOSE PROPERTIES LISTED IN TABLE 2 BELOW SHALL STATE COUNCIL'S INTENTION TO SELL THE LAND IS SUBJECT TO COUNCIL OBTAINING A PLANNING PERMIT AUTHORISING THE REMOVAL OF THE RESERVE STATUS FROM EACH PROPERTY AND PROCURING THE REGISTRATION OF SUCH PLAN AT THE LAND REGISTRY.**

	ADDRESS	LEGAL DESCRIPTION
1	GILFEDDER TCE, MIRBOO NORTH	RESERVE NO. 2 ON PLAN OF SUBDIVISION 3025076 CERTIFICATE OF TITLE VOLUME 10105 FOLIO 897
3	ATTENBOROUGH COURT, POOWONG	RECREATION AND DRAINAGE RESERVE ON PLAN OF SUBDIVISION 136812 CERTIFICATE OF TITLE VOLUME 9485 FOLIO 549
12	FISHERMANS ROAD, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56447 CERTIFICATE OF TITLE VOLUME 9900/612

14	GARY COURT, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56451 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 617
15	JUNE COURT, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56447 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 612
17	MARGARET AVE, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56450 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 616
18	MCMILLAN AVENUE, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56449 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 615
19	NEIL ST, VENUS BAY	RESERVE ON PLAN OF SUBDIVISION 56448 CERTIFICATE OF TITLE VOLUME 9900 FOLIO 613
20	BENT ST, LEONGATHA	RESERVE ON LODGED PLAN 96024 CERTIFICATE OF TITLE VOLUME 8723 FOLIO 795

- 7. THAT EACH PUBLIC NOTICE CLEARLY STATES:**
- a. A PERSON MAY MAKE A SUBMISSION TO THE PROPOSAL**
 - b. THE DATE AND TIME BY WHICH THE SUBMISSION IS TO BE RECEIVED AT COUNCIL.**
 - c. THAT THE SUBMISSION IS TO BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER, SOUTH GIPPSLAND SHIRE COUNCIL, PRIVATE BAG 4, LEONGATHA 3953 OR DELIVERED TO THE COUNCIL OFFICE, 9 SMITH STREET, LEONGATHA.**
 - d. THAT ANY PERSON MAKING A WRITTEN SUBMISSION IS ENTITLED TO STATE IN THEIR SUBMISSION THAT HE OR SHE WISHES TO APPEAR IN PERSON, OR BE REPRESENTED BY A PERSON SPECIFIED IN THE SUBMISSION, AT A MEETING TO BE HEARD IN SUPPORT OF THEIR SUBMISSION.**
 - e. THAT COPIES OF SUBMISSIONS (INCLUDING SUBMITTERS' NAMES AND ADDRESSES) WILL BE MADE AVAILABLE AT THE COUNCIL OR SPECIAL COMMITTEE MEETING AT WHICH THE PROPOSALS ARE CONSIDERED AND COUNCIL IS**

**REQUIRED TO MAKE SUBMISSIONS AVAILABLE FOR
PUBLIC INSPECTION FOR A PERIOD OF TWELVE MONTHS.**

- f. THE TIME, DATE AND PLACE FOR HEARING OF SUBMISSIONS.**
 - g. ADVISE THOSE PERSONS WHO WISH TO BE HEARD IN SUPPORT OF THEIR SUBMISSION OF THE DATE, TIME AND PLACE OF THE HEARING OF SUBMISSIONS.**
- 8. THAT COUNCIL CONSIDERS ANY SUBMISSIONS RECEIVED PURSUANT TO SECTION 223 OF THE ACT AT A MEETING TO BE HELD BEFORE A COMMITTEE OF COUNCIL.**
 - 9. THAT COUNCIL AUTHORISES COUNCIL'S CHIEF EXECUTIVE OFFICER TO UNDERTAKE THE ADMINISTRATIVE PROCEDURES NECESSARY TO ENABLE COUNCIL TO CARRY OUT ITS FUNCTIONS UNDER SECTION 223 OF THE ACT IN RELATION TO THIS MATTER.**
 - 10. THAT COUNCIL RECEIVE A FURTHER REPORT AT THE NEXT APPROPRIATE COUNCIL MEETING TO DISCUSS THE OUTCOME OF THE SECTION 223 PROCESS.**
 - 11. THAT COUNCIL FURTHER RESOLVES THAT SHOULD NO SUBMISSIONS BE RECEIVED IN RESPONSE TO A PUBLIC NOTICE:
 - a. AUTHORISE ITS CHIEF EXECUTIVE OFFICER OR HIS DELEGATE TO COMMENCE THE STATUTORY PROCEDURES TO APPLY FOR A PLANNING PERMIT AND TAKE ALL NECESSARY STEPS TO REMOVE THE RESERVATION STATUS FROM THE PROPERTIES LISTED IN TABLE 2 ABOVE PURSUANT TO SECTION 24A OF THE SUBDIVISION ACT, 1988.**
 - b. AUTHORISE ITS CHIEF EXECUTIVE OFFICER OR HIS DELEGATE TO SIGN ALL DOCUMENTS IN CONNECTION WITH THE SALE OF THE PROPERTIES AND AFFIX COUNCIL'S COMMON SEAL TO THE TRANSFERS OF LAND AND TO ANY OTHER DOCUMENTS REQUIRING EXECUTION UNDER THE COMMON SEAL OF COUNCIL.****
 - 12. THAT COUNCIL DETERMINE THAT ATTACHMENTS 1, 2 AND 3 REMAIN CONFIDENTIAL;**
 - 13. THAT COUNCIL DETERMINE THAT ATTACHMENT 4 BE MADE PUBLIC.**
-

LOST

For: Crs Fawcett, Newton and Davies.

**Against: Crs Brunt, Hutchinson-Brooks, Kennedy, Harding, McEwen
and Hill.**

MOVED: Cr Kennedy

SECONDED: Cr Harding

THAT COUNCIL:

- 1. DEFER THE LAND REALISATION PROJECT SECTION 223 FORMAL PUBLIC PRESENTATION PROCESS TO COMMENCE ON 27 MARCH 2013;**
- 2. ADVERTISE ALL COUNCIL VACANT LAND THAT COULD BE CONSIDERED FOR SALE IN THE FUTURE, ON THE SOUTH GIPPSLAND SHIRE COUNCIL WEBSITE, WITH A LINK FROM THE MAIN PAGE, BY 10 JANUARY, AND**
- 3. ADVERTISE THIS LINK IN COUNCIL'S NOTICEBOARD MESSAGES DURING JANUARY AND FEBRUARY 2013;**
- 4. WRITE TO ALL KNOWN COMMUNITY GROUPS IN COUNCIL'S COMMUNITY DIRECTORY, AND/OR KNOWN TO COUNCIL'S COMMUNITY STRENGTHENING DEPARTMENT, AND ALL ADJOINING LANDOWNERS TO COUNCIL'S VACANT LAND, SEEKING COMMENTS ON THE SOCIAL, TOURISM OR ENVIRONMENTAL VALUES OF ANY COUNCIL OWNED VACANT LAND TO THEIR TOWNSHIP AND REFLECTING THE 2012-2013 COUNCIL PLAN'S STRATEGIC OUTCOMES OF:**
 - A. A VIBRANT ENGAGED COMMUNITY**
 - B. A SUSTAINABLE ENVIRONMENT**
 - C. A STRONG ECONOMY**
 - D. A LEADING ORGANISATION**
- 5. RESPONSES TO BE RECEIVED IN WRITING BY CLOSE OF BUSINESS 1 MARCH 2013.**
- 6. THAT COUNCIL DETERMINE THAT ATTACHMENTS 1, 2 AND 3 REMAIN CONFIDENTIAL; AND**
- 7. THAT COUNCIL DETERMINE THAT ATTACHMENT 4 BE MADE PUBLIC.**

DEFERMENT

MOVED: Cr Fawcett

SECONDED: Cr Davies

THAT CLOSED ITEM 7 – LAND REALISATION PROJECT BE DEFERRED TO ORDINARY COUNCIL MEETING 27 FEBRUARY 2013 IN ORDER TO COMPOSE A NEW MOTION THAT HAS CONSIDERED RESOURCE IMPLICATIONS AND THAT ATTACHMENT 1,2 AND 3 REMAIN CONFIDENTIAL AND THAT ATTACHMENT 4 BE MADE PUBLIC.

CARRIED

For: Crs Fawcett, Newton, Davies, Hutchinson-Brooks and Brunt.

Against: Crs Hill, Kennedy, Harding and McEwen.

Attachment 4
Locality plans of properties listed in Attachment 3

193483: Gilfedder Terrace, Mirboo North
Use: Nil
Area: 5,208m²
Zone: Rural Living zone.



199738: Juno Road, Venus Bay
Use: Nil
Area: 1,513m²
Zone: Township Zone



Attachment 4
Locality plans of properties listed in Attachment 3

183083: Attenborough Court, Poowong
Use: Nil
Area: 1,150m²
Zone: Township Zone



182002: Outtrim Rd, Leongatha South (former school site)
Use: Vacant building
Area: 7,753.15m²
Zone: Farming Zone



Attachment 4
Locality plans of properties listed in Attachment 3



181617: River Drive, Tarwin Lower
Use: Retail (Art and Craft)
Area: 1,771m²
Zone: Township Zone
Proposed strategy: Sell by public auction.



Attachment 4
Locality plans of properties listed in Attachment 3

178487: Noble St, Venus Bay
Use: Nil
Area: 640m²
Zone: Township Zone



194180: Inglis Avenue, Mirboo North
Use: Nil
Area: 676m²
Zone: R1Z
Proposed strategy: Relocate any playground equipment to rec reserve. Sell by public auction.



Attachment 4
Locality plans of properties listed in Attachment 3

186527 – Baromi Road, Baromi
Use – Nil.
Area: 2,024m²
Zoned: FZ
Proposed strategy: Obtain building permit for a dwelling. Sell by public auction.



188896: Main St, Buffalo
Use: Nil.
Area: 1478m²
Zoned: Township zone

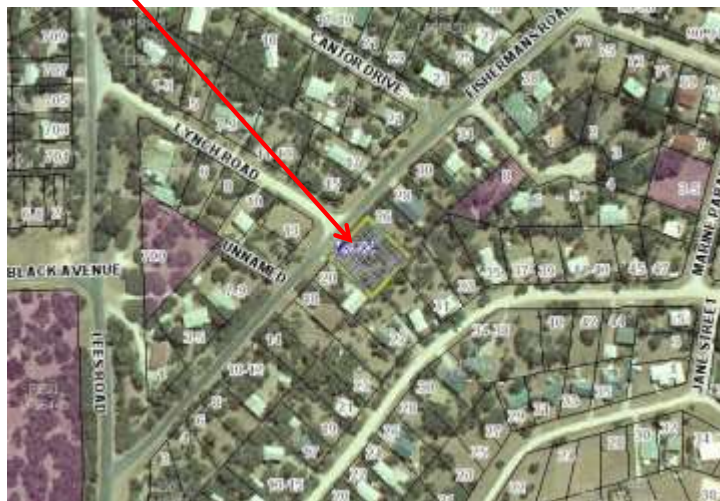


Attachment 4
Locality plans of properties listed in Attachment 3

190151: Pioneer Street, Foster
Use: Nil
Area: 532m²
Zone: R1



195317: Fishermans Road, Venus Bay
Use: Nil
Area: 1,153m²
Zone: Township Zone

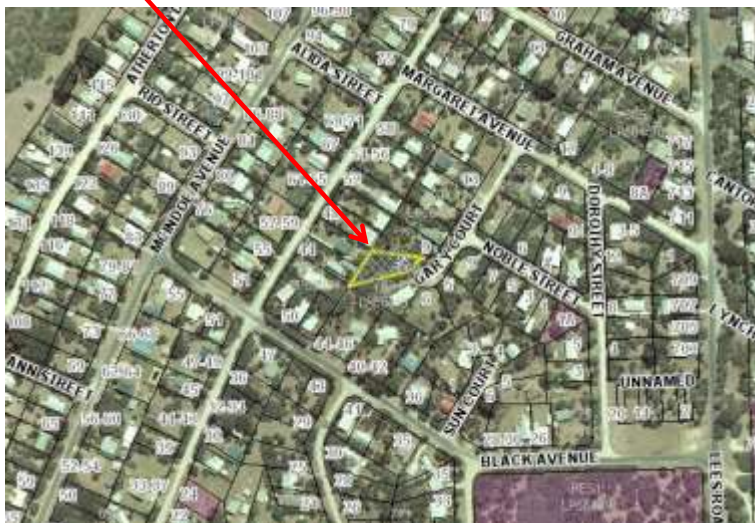


Attachment 4
Locality plans of properties listed in Attachment 3

174784: McDonald St, Meeniyah
Use: Nil
Area: 508.69
Zone: Township Zone



195314: Gary Court, Venus Bay
Use: Nil
Area: 846m2
Zone: Township Zone



Attachment 4
Locality plans of properties listed in Attachment 3

193486: June Court, Venus Bay
Use: Nil
Area: 820m²
Zone: Township Zone



195571: Whitelaw St, Meenyan
Use: Nil
Area: 264m²
Zone: Township Zone.



Attachment 4
Locality plans of properties listed in Attachment 3

195315: Margaret Avenue, Venus Bay
Use: Nil
Area: 659.6
Zone: Township Zone



193488: McMillan Ave, Venus Bay
Use: Nil
Area: 613m2
Zone: Township Zone



Attachment 4
Locality plans of properties listed in Attachment 3

179460: Neil St, Venus Bay
Use: Nil
Area: 877.60m²
Zone: Township Zone

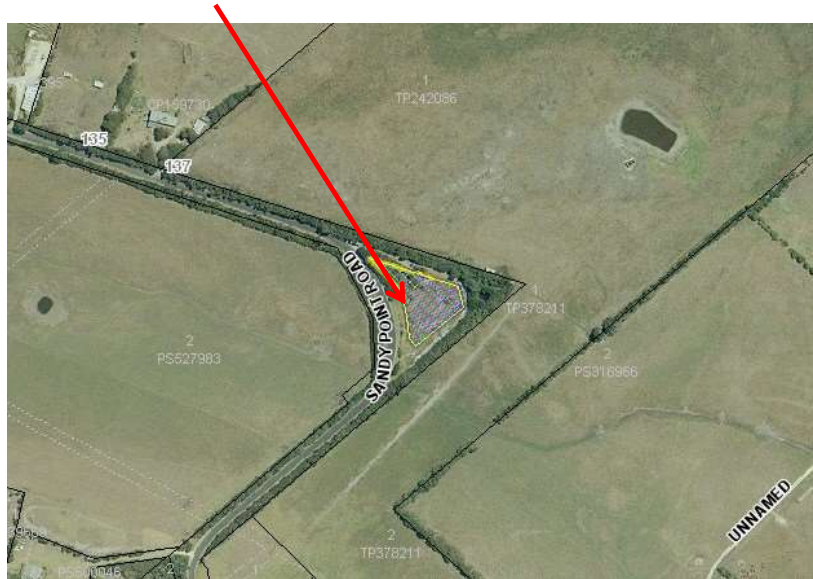


175707: Bent St, Leongatha
Use: Nil.
Area: 880m²
Zone: R1Z



Attachment 4
Locality plans of properties listed in Attachment 3

189041: Sandy Point Road, Sandy Point
Use: Nil (former Sanitary Land Fill)
Area: 2,844m²
Zone: Farm Zone



CLOSED SESSION

Consideration of confidential matters under the Local Government Act 1989, Section 89(2).

According to Section 89 of the Local Government Act 1989 (the Act), Council may consider items in closed session. There must be a resolution to move 'In Committee' stating the reasons why the matter(s) need to be considered in this way. The reasons provided for within the Act are matters concerning personnel, personal hardship, industrial issues, contracts, proposed developments, legal advice or any other matter that Council considers would be prejudicial, to it or any other person.

Once 'In Committee' discussions and debate have concluded, a further resolution to resume open Council is required.

Recommendation

That Council close the meeting to the public to allow for consideration of:

1. 2013 Australia Day Awards selection pursuant to section 89(2)(i) as provided for by the Local Government Act 1989;
2. 2012-2013 Community Grants Program – Round 1 allocation pursuant to section 89(2)(i) as provided for by the Local Government Act 1989;
3. Two proposed developments pursuant to section 89(2)(e) as provided for by the Local Government Act 1989;
4. Audit Committee - Appointment of Independent Member pursuant to Section 89(2)(a) as provided for by the Local Government Act 1989; and
5. Six contractual matters pursuant to section 89(2)(d) as provided for by the Local Government Act 1989;

MOVED: Cr Davies

SECONDED: Cr Fawcett

THAT COUNCIL CLOSE THE MEETING TO THE PUBLIC TO ALLOW FOR CONSIDERATION OF:

1. **2013 AUSTRALIA DAY AWARDS SELECTION PURSUANT TO SECTION 89(2)(I) AS PROVIDED FOR BY THE LOCAL GOVERNMENT ACT 1989;**
2. **2012-2013 COMMUNITY GRANTS PROGRAM – ROUND 1 ALLOCATION PURSUANT TO SECTION 89(2)(I) AS PROVIDED FOR BY THE LOCAL GOVERNMENT ACT 1989;**

- 3. TWO PROPOSED DEVELOPMENTS PURSUANT TO SECTION 89(2)(E) AS PROVIDED FOR BY THE LOCAL GOVERNMENT ACT 1989;**
- 4. AUDIT COMMITTEE - APPOINTMENT OF INDEPENDENT MEMBER PURSUANT TO SECTION 89(2)(A) AS PROVIDED FOR BY THE LOCAL GOVERNMENT ACT 1989; AND**
- 5. SIX CONTRACTUAL MATTERS PURSUANT TO SECTION 89(2)(D) AS PROVIDED FOR BY THE LOCAL GOVERNMENT ACT 1989.**

CARRIED UNANIMOUSLY

**ITEM 4 AWARD OF TENDER – CHIEF EXECUTIVE OFFICER DELEGATION
 - GREEN STREET LIGHTING**

RECOMMENDATION

That Council:

- 1. Authorise the Chief Executive Officer to award, sign and seal the contracts for the supply and installation of energy efficient street lighting across the shire in accordance with the approved project budget of \$451,200; and**

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion.

ITEM 8 AWARDING OF TENDER SGC13/12 - PROVISION OF MEALS ON WHEELS SERVICE

That Council:

- 1. Award Tender SGC13/12 Provision of Meals for the Meals on Wheels Service to Gippsland Southern Health Service for an estimated total contract cost of \$343,000 (including GST) for an initial term of 3 years and 5 months, with an option of a one year extension, to service the Nyora, Poowong, Loch, Bena, Korumburra, Leongatha, Mirboo North, Meeniyan, Dumbalk, Tarwin Lower and Venus Bay areas;**
- 2. Award Tender SGC13/12 Provision of Meals for the Meals on Wheels Service to South Gippsland Hospital for an estimated total contract cost \$147,000 (including GST) for an initial term of 3 years and 5 months, with an option of a one year extension, to service the Foster, Toora, Welshpool, Port Welshpool, Fish Creek, Yanakie, Sandy Point, Waratah Bay and Walkerville areas;**

CARRIED UNANIMOUSLY

ITEM 9 AWARD TENDER SGC13/17 SUPPLY AND DELIVERY OF STEEL PRODUCTS

RECOMMENDATION

That Council:

- 1. Award Tender SGC13/17 Supply and Delivery of Steel Products to a Panel of Preferred Suppliers consisting of:**
 - a. L.J. & N.B. Smith (Smith Steel).**
 - b. Shakanda Australia Pty Ltd. T/a Shakanda Engineering.**
 - c. Hulls Engineering Australia Pty Ltd.**
 - d. Surdex Steel Pty Ltd.**

for a period of three years commencing 1 January 2013, with the option of a one year extension available at Council's discretion.

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion.

ITEM 10 AWARD TENDER SGC13/19 SUPPLY AND DELIVERY OF GABION BASKETS

RECOMMENDATION

That Council:

- 1. Award Tender SGC13/19 Supply and Delivery of Gabion Baskets to a Panel of Preferred Suppliers consisting of:**
 - a. Global Synthetics Pty Ltd.**
 - b. Southern Geosynthetics Supplies Pty Ltd.**

for a period of three years commencing 1 January 2013, with the option of a one year extension available at Council's discretion.

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion.

ITEM 11 AWARD OF TENDER SGC13/18 – DESIGN, SUPPLY AND CONSTRUCTION OF LIGHTING POLES AND LIGHTING INCLUDING COMMISSIONING - KORUMBURRA SHOWGROUNDS

RECOMMENDATION

That Council:

- 3. Award Tender SGC13/18 Design, Supply and Construction of Lighting Poles and Lighting including Commissioning - Korumburra Showgrounds to M. & A. Walker t/a Walker Electrical Contracting Pty Ltd for the lump sum amount of \$265,454.55 (excluding GST).**

NOTE: The recommendation was CARRIED UNANIMOUSLY as part of a single motion.

**ITEM 12 AWARD TENDER SGC13/16 - DESIGN AND CONSTRUCTION OF
FOUR BRIDGES - GREAT SOUTHERN RAIL TRAIL - FOSTER TO
TOORA**

MOVED: Cr Davies

SECONDED: Cr McEwen

THAT COUNCIL:

- 1. AWARD TENDER SGC13/16 DESIGN AND CONSTRUCTION OF
FOUR BRIDGES - GREAT SOUTHERN RAIL TRAIL - FOSTER TO
TOORA TO NADDDVIK HOLDINGS PTY LTD & SEATONE PTY LTD
TRADING AS OPEN SPACE INFRASTRUCTURE AUSTRALIA
AUSTRALIA FOR THE LUMP SUM AMOUNT OF \$425,759
(EXCLUDING GST).**

CARRIED

SECTION H - MEETING CLOSED

NEXT MEETING

The next Ordinary Council Meeting open to the public will be held in 27 February 2013, 2pm in the Council Chambers, Leongatha.

Meeting closed at 6.20pm.

CONFIRMED:.....

CR KIERAN KENNEDY – MAYOR

Date:.....