

SOUTH GIPPSLAND SHIRE COUNCIL

Council Agenda

Ordinary Meeting of Council
18 December 2019

Ordinary Meeting No. 441
Council Chambers, Leongatha
Commencing at 2:00 pm



agenda



*South Gippsland
Shire Council*

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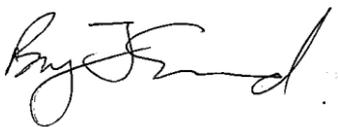
SOUTH GIPPSLAND SHIRE COUNCIL

Notice is hereby given that Ordinary Meeting No. 441 of the
South Gippsland Shire Council will be held on 18 December 2019
in the Council Chambers, Leongatha commencing at 2:00 pm

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Bryan Sword
Acting Chief Executive Officer

1. PRELIMINARY MATTERS

1.1. LIVE-STREAMING COUNCIL MEETING DISCLAIMER

This Council Meeting is being streamed live, recorded and published in accordance with Council's *Live Streaming in Council Meetings Policy*.

To those present in the gallery today, by attending a public meeting of the Council you are consenting to your image, voice and comments being recorded and published.

Anyone who is invited to read out a question or a presentation will be recorded and their voice, image and comments will form part of the live stream and recording.

The Chair and/or the CEO have the discretion and authority at any time to direct the termination or interruption of live streaming. Such direction will only be given in exceptional circumstances where deemed relevant. Circumstances may include instances where the content of debate is considered misleading, defamatory or potentially inappropriate to be published.

Attendees are advised that they may be subject to legal action if their actions results in inappropriate and/or unacceptable behaviour and/or comments.

Today's Meeting is being streamed live as well as recorded and published on Council's website.

Thank you

1.2. WELCOME

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

1.3. OPENING PRAYER

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

Amen

1.4. ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS

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

1.5. APOLOGIES

1.6. CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the South Gippsland Shire Council Ordinary Meeting No. 440, held on 20 November 2019 in the Council Chambers, Leongatha be confirmed.

1.7. DECLARATION OF CONFLICTS OF INTEREST FOR ADMINISTRATORS

Any interest that an Administrator 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 (the Act). This legislation can be obtained by contacting the Council's Corporate & Community Services Directorate (Council Business) 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 an Administrator 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 Council Business Department at South Gippsland Shire Council).
- 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 Administrator 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.

Administrators should check the Minutes of the Council Meeting to ensure their disclosure is recorded accurately. Administrators 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 – A Guide – October 2012*.

1.8. DECLARATION OF CONFLICTS OF INTEREST FOR STAFF

Sections 80B and 80C of the Local Government Act 1989 require members of Council staff who have delegated functions and/or provide advice to Council or a Special Committee to disclose conflicts of interest. If Council staff have written, provided information/advice or approved a Council Report and have a conflict of interest, it is the responsibility of that staff member to disclose the interest.

Guidance to identifying and disclosing a conflict of interest is contained in the Victorian State Government, Department of Transport, Planning and Local Infrastructure – *Conflict of Interest – A Guide for Council Staff – October 2011*.

2. OBJECTIVE 1 - STRENGTHEN ECONOMIC GROWTH AND PROSPERITY

2.1. DEVELOPMENT PLAN (DP09) - 77 GIBSON STREET, LEONGATHA

Development Services Directorate

EXECUTIVE SUMMARY

This report considers an application for the approval of a Development Plan for the land known as 77 Gibson Street Leongatha. The land is covered by a Development Plan Overlay – Schedule 9 - Western Leongatha Residential Growth Area (DPO9) (**Attachment [2.1.1]**). It comprises a number of titles with a total area of approximately 58 hectare being covered by the DPO9. Only part of the land (approx. 12 hectare) is zoned General Residential Zone (GRZ). The balance of land is in the Farming Zone (FZ).

Council has received further applications for a planning permit to subdivide the 12 hectare portion and Planning Scheme Amendment to rezone a further 28 hectares of FZ land covered by the DPO9.

The planning permit application for subdivision can be considered after the Development Plan is approved. The DPO9 requires that any planning permit granted must be generally in accordance with the Development Plan, meaning the subdivision application must follow the Development Plan approval.

The application to rezone the further 28 hectares requires Council to seek authorisation from the Minister for Planning to prepare and exhibit the Planning Scheme Amendment. This report recommends that this follows the requirement to commence the subdivision (i.e. a plan of subdivision is certified for the first stage). This ensures development of the existing 12ha of GRZ land occurs in a timely manner. This encourages growth of the town and prevents an oversupply of residential land in Leongatha limiting other development opportunities.

The Development Plan was exhibited and thirty one (31) submissions were received. Concerns raised in the submissions included: increase of traffic; location and lack of public open space, cost burden for existing residential area; stormwater/drainage, water pressure and size of subdivision.

This report recommends Council adopt the Development Plan following consideration of the officers assessment, DPO9 requirements and submissions made.

RECOMMENDATION

That Council:

1. **Adopts the Western Leongatha Residential Growth Area Approved Development Plan for the land at 77 Gibson Street Leongatha and as detailed in (Attachment [2.1.8]); and**
2. **Seeks authorisation from the Minister for Planning to prepare and exhibit a Planning Scheme Amendment for further rezoning of land within Development Plan Overlay – Schedule 9 - Western Leongatha Residential Growth Area (DPO9) from Farming Zone to General Residential Zone after the first stage of the subdivision plan for the 12ha lot is certified by Council and refer any submissions to the Minister for Planning.**

REPORT

Background

The subject land at 77 Gibson Street (**Attachment [2.1.1]**) is covered by the Development Plan Overlay - Schedule 9 - Western Leongatha Residential Growth Area (DPO9) provisions of the South Gippsland Planning Scheme (**Attachment [2.1.2]**). The DPO9 was applied at the same time that 12ha of the land was rezoned to General Residential Zone (GRZ) by Amendment C65. Amendment C65 received objections and was considered by a Planning Panel established by the Minister for Planning. The Panel supported part of the rezoning of the subject land from the FZ to the GRZ and the application of the DPO9. A number of the DPO9 provisions are relevant to matters raised in the submissions to the Development Plan.

The purpose of a DPO is to:

To identify areas which require the form and conditions of future use and development to be shown on a development plan before a permit can be granted to use or develop the land.

To exempt an application from notice and review if it is generally in accordance with a development plan.

The DPO9 does not contain any specific objectives. However, the general intent is to ensure that:

- Development occurs in a staged and logical sequence with the appropriate infrastructure and facilities in place for future development;
- Future subdivision of the land has a sympathetic interface (boundary) with existing residential development, particularly land along Gibson Street;
- It provides valued open space; and
- Development has an overall appropriate subdivision design.

This point is highlighted to demonstrate that many of the issues addressed in the submissions were envisaged as potential concerns of local residents when the DPO9 was prepared for inclusion in the Planning Scheme in 2016.

South Gippsland Planning Scheme

Clause 43.04-1 states:

A permit must not be granted to use or subdivide land, construct a building or construct or carry out works until a development plan has been prepared to the satisfaction of the responsible authority.

Clause 43.04-4 states:

The development plan may be amended to the satisfaction of the responsible authority.

(Attachment [2.1.3]) contains a table of assessment for the applicant's submitted Development Plan (**Attachment [2.1.4]**) against the DPO9 provisions. It highlights the areas which have been satisfied and those which are outstanding. It is considered that some of the outstanding items can be addressed by amendments as proposed at (**Attachment [2.1.8]**). The balance of the matters can be satisfactorily addressed at the subdivision permit stage. It is considered that the Development Plan with the proposed amendments satisfies the requirements of the DPO9 and is generally in accordance with its provisions.

Residential subdivision of the subject land is not straightforward due to a number of constraints such as steep sections, waterways, required infrastructure upgrades and integration into surrounding residential areas. The nature of these development constraints means an outcome satisfying all interests is unlikely. The primary issues in assessing whether the Development Plan is satisfactory having regard to the DPO9 provisions are summarised below:

Catchment and Drainage Regimes

The subject land is made up by three main catchments (**Attachment [2.1.5]** – Storm Water Plan). Each of these catchments (A, B and C) discharge to points in the north-west, west, and southeast, respectively. All discharge points connect with existing earth drains. These drains meet up approximately 1000m to the south of the site near the intersection of Racecourse Road and Bass Highway. The watercourse then continues south-east and discharges into Coalition Creek.

The overall proposed development covers 5 parcels of land intended to be developed in stages over time. The north-eastern parcel, Lot 1 PS404151, is already zoned as GRZ1, and a stormwater strategy has been submitted for the proposed development.

Under this strategy it is proposed a wetland system could be located within the low points of the three catchments within the site. Catchment B could utilise a swale drain along its natural drainage corridor. Analysis of preliminary Model for Urban Stormwater Improvement Conceptualisation (MUSIC) has determined the wetland size for treatment of stormwater runoff to Best Practice Environment Management (BPEM) for pollutant reduction.

In assessing the Development Plan, Council needs to be satisfied that stormwater can be appropriately managed. The detail provided in the Stormwater Management Plan (SWMP) and notations on the Development Plan is considered sufficient to approve the Development Plan in relation to waterway management. Design specific issues, such as easements and drains to be constructed will be considered as part of the subdivision planning permit process.

Slope of the land

In addition to the challenges posed by the waterways, the slope of the land provides some limitations on the land's development potential. Of particular concern is the land adjacent to the drainage reserve running through the centre of the subject land. The slope analysis plan (**Attachment [2.1.6]**) shows the land has a slope of more than 25 per cent.

Slope of the land with regard to its suitability for use as public open space (POS) is discussed below.

The land along the Gibson Street and Higg Street location is moderately steep and concerns have been raised by the submitters who note the steepness, wetness and related maintenance difficulties that subdivision of this area will involve. This is also discussed later in report in relation to the submissions.

The DPO9 was prepared with the management of steep land specifically considered. The DPO9 states:

“Where the pre-development slope equals or exceeds 10%, larger lots should be created (increasing in size commensurate to the slope of the land). Within these lots building envelopes must be identified and sited to:

- *Minimise earthwork requirements for slab construction dwellings.*
- *Avoid the requirement for earthwork retaining walls within 1 metre of a lot boundary.*
- *Protect passive solar access to dwellings sited in cuts.*
- *Provide additional front setbacks (not less than 7 metres) where the slope falls predominantly down the length of the lot.”*

A notation has been included on the amended Development Plan indicating that stumps are required to avoid excessive cut and fill associated with slab construction. Detailed conditions on the subdivision permit will be required.

Slope presents a challenge for road design at Gibson Street on the eastern side and the main entry road at stage 1b (off Shingler Street). The developer will need to provide additional infrastructure plans and reports to demonstrate that the roads will comply with Council's Infrastructure Design Manual requirements. This will be assessed as part of the subdivision permit application.

Public Open Space (POS)

The Development Plan submitted by the applicant proposes a portion of the POS to be located in the waterway reserve which has a slope of approximately 25%+. This exceeds the maximum 5% slope specified within the DPO9.

The steep and encumbered areas adjacent to the waterway are not considered suitable for POS as they would have little to no recreation value. No information was submitted to show how the proposed POS adjacent to the waterway could be made suitable. The Development Plan has been amended to remove this land.

While public access to the actual waterway might have some amenity and aesthetic values the steepness and potential instability of the banks would make public access unsafe and a liability. Such areas in Council ownership and management are to be minimised or avoided as they are labour intensive to maintain and has proven problematic in other residential subdivisions. The location of an open space reserve would not be appropriate along highly sloping land and waterway. The proposed amended Development Plan has been created with this area shown as part of the drainage reserve rather than POS. Fencing of this area, and planting it out with native plant species presents the most effective long term environmental, public safety and Council maintenance option for this area.

Within stage 1 of the future subdivision POS is provided for in the north east section of the land and will be able to accommodate a playground/park that connects the subdivision to Gibson Street (adjacent Hillview Court). This section of land satisfies a portion of the minimum required POS contribution from the applicant. It equates to approximately 2% of the 12ha zoned GRZ. This means that the applicant will be required to pay a cash contribution of approximately 3% of the land area, unless additional POS is provided that satisfies the requirements of the DPO9. POS contributions are implemented at the subdivision planning permit stage via conditions on the permit.

At later stages of the proposed DPO9 area there are two other areas of POS proposed, being approximately 0.75 and 1.45 hectares. One will be relatively central to the overall DPO area and the other in the southern eastern corner (Corner Worthy & Gibson Street). Both of these are on land that is considered acceptable for POS. If those areas are combined with the initial smaller area in

the north east corner that is considered acceptable, they will make up approximately 4.22% of the overall DPO area as a POS land contribution. The applicant will still be required to pay a cash contribution for the earlier stages of the land already zoned GRZ. Overall, the amended Development Plan is considered to suitably address the issue of POS despite providing less than 5% as land.

Traffic and off-site infrastructure upgrades

The traffic report prepared by the developer as part of the Development Plan does not indicate any immediate upgrading of the existing intersection at Shingler Street and South Gippsland Highway as part of developing the land already zoned GRZ1. This 12ha subdivision is likely to be developed for approximately 130 lots, with minor variation expected subject to final design. The development of 130 lots will generate less than 1300 vehicle movements per day. The existing road network and intersection on the South Gippsland Highway has sufficient capacity and does not require upgrades to accommodate this stage.

Further rezoning and development of the rest of the land within the DPO9 will likely require upgrade to the South Gippsland Highway intersection and the Worthy Street and Bass Highway intersection. The Worthy Street and Bass Highway intersection upgrade will only be required once the subdivision reaches a stage where it connects to the existing Worthy Street alignment.

It is considered that the Development Plan can include an annotation outlining that the upgrading of intersections will be required upon development of future stages. The developer is aware of Council's intentions to place conditions on future approvals requiring updated traffic reports to support future staged development.

A development contributions agreement is registered on the titles through a Section 173 Agreement. Contributions collected from this agreement can be put towards upgrading off site works such as providing additional footpath connections from Shingler Street to Brown Street and providing a pedestrian connection to the town's public transport bus links.

The submitters request confirmation that the existing landowners within the vicinity will not be required to contribute to infrastructure upgrades directly required to facilitate the proposed subdivision. No special charge scheme is proposed for Gibson Street and any off-site works Council requires directly related to the proposed subdivision will be borne by the developer. A notation on the revised Development Plan has been included to demonstrate this. The only exception to this is if any of the landowners redevelop their own land and intensify development. In that instance, they may similarly be liable to provide footpath along their frontage as part of any proposal to subdivide or build more than one dwelling per lot.

Land Contamination

The developer has submitted a desktop assessment of the subject land in regards to contamination as stated in the DPO9. The aerial photography dated back to 1979 shows the land has been generally used for farming with little change to the landscape. The report did not recommended any further soil testing for land already zoned GRZ1 and is considered satisfactory.

Prior to any other stages being approved for rezoning an annotation on the Development Plan states that soil testing and further investigation is required (as per the recommendations of the report) to ensure there is no risk to future residents.

CONSULTATION

Exhibition and approval of the Development Plan is an important stage in the approvals process for the subdivision of the subject land and rezoning from FZ to GRZ. The DPO provisions state that where a planning permit application accords with the requirements of an approved Development Plan, the permit application is exempt from notice (advertising) and appeal (VCAT). This means that once a Development Plan is approved, no further public consultation or engagement is permitted. Council's exhibition of the Development Plan clearly noted this point so that residents with potential concerns were aware that the Development Plan assessment process was the time to make a submission.

Exhibition and consultation also occurred in 2016 when part of the land was rezoned to GRZ and the DPO9 was applied to the land via Planning Scheme Amendment C65. The Planning Scheme Amendment received 13 submissions and went to a Planning Panel hearing. The Panel supported the rezoning and introduction of the DPO9 to facilitate future development of this area.

Objections/submissions

Submissions received during the exhibition of the Development Plan are located at (**Attachment [2.1.7]**). Issues raised during the exhibition process are summarised below with responses to each matter:

- Lack of public open space (POS) throughout the subdivision;

The applicant has proposed some POS that is considered acceptable and some that is not. Council staff have made amendments to the plan as allowed by the DPO in order to make it suitable for endorsement. It should be noted that the Planning Scheme requires subdivisions to provide 5% of the land as POS as either land, cash or combination of the two to Council's satisfaction. The land areas proposed on the amended Development Plan as POS across the entire DPO9 site are sufficient, with the balance of the requirement needing to be made by cash contributions.

It should be noted that if the developer provides 2% as land as 3% as cash for the existing GRZ area and then further develops the rest of the DPO9 in accordance with what is shown, the overall contribution as a combination

of land and cash will be satisfactory considering the overall requirements of the DPO9.

- The location of public open space adjacent to the drainage reserve is on steep land;

This is acknowledged in the report. Council has proposed an amendment to the Development Plan to remove any reference to the POS on the steep land adjacent the drainage reserve. Any future planning permit issued for subdivision will require detailed plans showing works within the waterway, including landscaping, fencing or any other infrastructure.

- Extension to Higg Street being an entry and exit to the subdivision;

Whilst this may not be supported by some due to amenity concerns, it is considered to be a logical and important part of the future subdivision of the area to provide multiple access points for vehicles and pedestrians. Connecting the future subdivision via a local access street to Higg Street will minimise the number of people utilising it as a main thoroughfare, yet provide for a well-designed and interconnected community that encourages walking. It should also be noted that the connection to Higg Street is unlikely to be provided for some time given that it will not occur until that portion of the land is rezoned and the first approx. 130 lots in the existing GRZ area are first developed.

- Increase in traffic on local roads and major arterial roads;

It is acknowledged that the current and future development will lead to increased traffic. The existing road network in the locality is considered sufficient to accommodate the increase in traffic from the existing GRZ land. Future rezoning and subdivision will likely require upgrading of intersections in the locality, however, they do not currently present an unreasonable level of risk or efficiency that would require immediate upgrades. These upgrades can be staged at the appropriate times in future.

- Subdivision too large and lot sizes too small;

The subdivision is considered appropriate. The existing 12ha was rezoned through a detailed process that was supported by an expert Planning Panel appointed by the Minister for Planning. Amongst other reasons, it was supported on the basis that the land is required and deemed suitable for the future logical growth of the town of Leongatha.

In terms of lot size, the average lot size is not determined specifically by the Development Plan even though it determines the general layout of the future subdivision. It is considered that the future subdivision of approximately 130 lots will allow for appropriately sized lots similar to other contemporary subdivisions in the Shire and region. The State

Government sets benchmarks for lot yields in growth areas that are much higher than regional areas. By comparison, the benchmark is for a minimum of 15 dwellings per hectare with ability to increase to over 20 per hectare. This development plan provides for future lots in the subdivision to be much larger lots at approx. 650m² on average. This equates to a much lower density of about 11.6 dwellings per hectare which is well under the comparative growth areas in the peri-urban fringe. The future subdivision is likely to include some smaller lots on flatter land of approximately 500m² and larger lots over 800m², where necessary on steeper lots.

- Council and developer contributions connecting the footpath from Shingler Street to Brown Street and linking pedestrian access to the bus stop;

This has been discussed above and will be funded via developer contributions from this development. Additional contributions would be sought from other land developments affecting this area. For example, other subdivision or unit developments would also be liable to upgrade their share of footpath or infrastructure.

- Any infrastructure upgrades at a cost to the developer and not existing land owners;

As above.

- The subdivision will increase the already existing stormwater, flooding and drainage issues;

Unabated, development will increase existing issues relating to stormwater, flooding and drainage. The Planning Scheme requires all subdivision proposals to meet minimum standards and the developer will be required to comply with those standards during detailed design of the stormwater system for the subdivision.

- Impact on the current water pressure and water flow.

The applicant will be required to comply with any requirements of South Gippsland Water (SGW) to upgrade infrastructure in the locality to service the subdivision. The applicant cannot be expected to fix any existing issues.

Responses from Referral Authorities

During the Development Plan process Council referred the application to the following authorities for comment (non-statutory). Some authorities did not respond and will provide a response as determining or recommending referral authorities during the subdivision application process:

External:

- CFA - provided partial response suggesting Council consider bushfire management prior to Development Plan approval. This has been considered and is acceptable as each future lot can comply with the requirements of the relevant Planning Scheme provisions. Note: the land is not in a Bushfire Management Overlay (BMO). Whilst it is identified in State Government Mapping as being in a Bushfire Prone Area (BPA) it is likely that a majority of the land will be removed from that mapping as the subdivision progresses and the associated bushfire threat is lessened due to removal of surrounding grassland by managed vegetation in a residential context.
- Multigas/Comdain – No conditions;
- Department of Environment, Land, Water and Planning (DELWP) – No conditions;
- Environment Protection Authority (EPA) – No conditions;
- South Gippsland Water (SGW) – No Conditions (will provide comment at the subdivision permit stage);
- Wester Gippsland Catchment Management Authority (WGCMA) – Requested annotation on Development Plan that waterway management plan is provided at subdivision permit stage. This has been included;
- Aboriginal Affairs – No conditions;
- Ausnet – No response;
- Transport for Victoria (TFV) – No response;
- Telstra – No response; noting that a subdivision of greater than 100 lots will become the responsibility of NBN Co. to service. NBN Co. is likely to have conditions that must be met for telecommunications infrastructure at the subdivision stage (i.e. fibre ready services) in accordance with standard planning practice;
- Victorian Planning Authority (VPA) – No response; and
- Rural Roads Victoria (RRV) – response specified some outstanding issues regarding the traffic report that was submitted. However, these matters can be dealt with at the subdivision permit stage and future rezoning.

RESOURCES

There are no financial implications for Council directly related to the assessment and approval of the development plan.

There are implications in relation to township growth.

RISKS

Careful consideration of the Development Plan reduces the risk posed to Council from ongoing maintenance and management of development infrastructure in the subdivision.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. 77 Gibson Street Leongatha - Aerial site plans with zoning and DPO9 [2.1.1 - 2 pages]
2. 77 Gibson Street Leongatha - Development Plan Overlay Schedule 9 [2.1.2 - 5 pages]
3. Development Plan Overlay (DPO 9) Requirements and Officer Assessment Comments [2.1.3 - 13 pages]
4. 77 Gibson Street Leongatha - Development Plan submitted by Developer [2.1.4 - 5 pages]
5. 77 Gibson Street Leongatha - Stormwater Plan [2.1.5 - 9 pages]
6. 77 Gibson Street Leongatha - Slope Analysis Plan [2.1.6 - 3 pages]
7. 77 Gibson Street Leongatha - Community Submissions [2.1.7 - 47 pages]
8. Western Leongatha Residential Growth Area Approved Development Plan [2.1.8 - 1 page]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Recreation Plan

South Gippsland Housing and Settlement Strategy

Legislative Provisions

Planning and Environment Act 1987

South Gippsland Planning Scheme

2.2. PROM COUNTRY REGIONAL TOURISM

EXECUTIVE SUMMARY

In 2002, Prom Country Regional Tourism (PCRT) was established by the South Gippsland Shire Council. PCRT has been the local tourism board for South Gippsland for almost 17 years. PCRT's key focus areas have included marketing, industry development, and advocating on behalf of the tourism industry.

Several weeks ago the Committee of PCRT flagged its intention to wind up the organisation. Before the organisation could commence the winding up process, and without notice to Council, all of the remaining industry-based Committee members resigned leaving only the two Council representatives on the Committee. The Committee had proposed a Special resolution to wind up PCRT and the following is part of what was sent to PCRT members in the lead up to the organisation's Annual General Meeting;

“Over the past 18 months it has become apparent to your committee that changes to the industry require a different approach for effective tourism advocacy. These changes include:

- *PCRT's engagement with Destination Gippsland and confidence in that organisation's capabilities;*
- *the effective rollout of broader branding and marketing by Destination Gippsland;*
- *PCRT's engagement with Destination Gippsland and confidence in that organisation's capabilities;*
- *the effective rollout of broader branding and marketing by Destination Gippsland;*
- *digital disruption: a huge take-up of online services: booking engines, social media, individual business web sites over the past 5 years;*
- *a reduction in the impact of (locally produced) print media and campaigns and their effectiveness;*
- *more efficient ways to deliver services; and,*
- *more effective ways to use your money.*

Given this publicly expressed intention of the PCRT Committee to wind up the organisation, it is recommended that Council take advice on the steps that need to be taken to give effect to this.

RECOMMENDATION

That Council:

- 1. Seeks independent advice as to how to best manage the associated entity known as Prom Country Regional Tourism, its assets and creditors;**
- 2. Consults with Consumer Affairs Victoria about how to manage Prom Country Regional Tourism when it may not have a quorum of active Committee members; and**
- 3. Receives a further report on Prom Country Regional Tourism at its Ordinary Meeting on 26 February 2020.**

REPORT

In 2002, PCRT was established by the South Gippsland Shire Council and endorsed by Tourism Victoria. PCRT is the official tourism association for South Gippsland and is operated by industry members. PCRT's key focus areas include marketing, industry development, and advocating on behalf of the tourism industry and promoting South Gippsland to the interstate and Victorian market.

Funding for PCRT is derived from membership and matched Council contribution which allows the publication of marketing collateral, campaigns and industry development initiatives. Council's tourism team worked with PCRT to develop targeted marketing material to enhance the profile of the region.

PCRT produces the Official Prom Country Touring Map, Visitor Guide, and The Shopping and Dining Guide in addition to:

- Walking Trails brochure;
- Water Activities brochure;
- Birds brochure;
- Tours brochure; and
- Drive Explore Discover.

PCRT operated digital channels including the visitpromcountry website which showcases the region's accommodation, events, attractions, towns, shopping and dining. The website provides visitor information and assists by linking visitors with other Gippsland regions. The website ranks highly on the three main search engines; Google, Yahoo and Bing.

The visitpromcountry App is linked to the website. South Gippsland is the only region in Gippsland to have an App and, to date, it has received nearly 9,000

downloads. The App provides interactive maps which help visitors find accommodation, ATMs, attractions, boat ramps, parks, amenities, service stations and eateries throughout South Gippsland.

Several weeks ago the Committee of PCRT flagged its intention to wind up the organisation. Before the organisation could commence the winding up process, and without notice to Council, all of the remaining industry-based Committee members resigned leaving only the two Council representatives on the Committee. The Committee had proposed a Special resolution to wind up PCRT and the following is part of what was sent to PCRT members in the lead up to the organisation's Annual General Meeting;

"Over the past 18 months it has become apparent to your committee that changes to the industry require a different approach for effective tourism advocacy. These changes include:

- *PCRT's engagement with Destination Gippsland and confidence in that organisation's capabilities;*
- *the effective rollout of broader branding and marketing by Destination Gippsland;*
- *digital disruption: a huge take-up of online services: booking engines, social media, individual business web sites over the past 5 years;*
- *a reduction in the impact of (locally produced) print media and campaigns and their effectiveness;*
- *more efficient ways to deliver services; and,*
- *more effective ways to use your money.*

In addition, Committee feels the existing structure and funding model no longer provides the best outcomes for industry or our partners.

Given this publicly expressed intention of the PCRT Committee to wind up the organisation, it is recommended that Council take advice on the steps that need to be taken to give effect to this.

CONSULTATION

It is recommended that consultation be undertaken with Consumer Affairs Victoria.

Consultation may also be undertaken with the PCRT membership.

RESOURCES

It is expected that PCRT will have some funds remaining in its bank account/s derived from membership and Council contributions.

Council's PCRT funding is included in forward planning for the 2020/21 Budget.

Current PCRT memberships expire on 31 December 2019. The Committee had previously advised it was not offering membership renewals for 2020.

RISKS

Independent advice will be sought as to how to best manage the wind up of the associated entity known as Prom Country Regional Tourism, its assets and creditors.

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Best Practice Guidelines for Committees of Management
Economic Development and Tourism Strategy

**3. OBJECTIVE 2 - BUILD STRONG PARTNERSHIPS, STRENGTHEN
ARTS & CULTURE AND DELIVER EQUITABLE OUTCOMES**

3.1. NIL

4. OBJECTIVE 3 - IMPROVE SOUTH GIPPSLAND'S BUILT ASSETS AND VALUE OUR NATURAL ENVIRONMENT

4.1. FUNDING APPLICATIONS - GREAT SOUTHERN RAIL TRAIL (GSRT) EXTENSION

Infrastructure Directorate

EXECUTIVE SUMMARY

The Great Southern Rail Trail Extension is a Priority Project that was first adopted by Council on 26 July 2017. The rail trail extension was reaffirmed as a Priority Project at the 25 September 2019 Ordinary Meeting of Council and Council is now ready to advocate for external funding support.

Various grant funding opportunities have been identified to support the development of the Great Southern Rail Trail Extension Leongatha to Korumburra (stage 1) and Korumburra to Nyora (stage 2).

On the 6 November 2019, the Victorian Government opened applications to Regional Development Victoria's Regional Infrastructure Fund. The program seeks to assist the growth of rural Victoria by providing grants for infrastructure projects that have the potential to stimulate economic activity.

On the 12 November 2019, the Victoria Government opened applications to Sport and Recreation Victoria's new \$22M Local Sports Infrastructure Fund.

After consultation with Regional Development Victoria and Sport and Recreation Victoria, it is recommended to submit an application to each program for the Great Southern Rail Trail Extension – Leongatha to Korumburra (stage 1) and Korumburra to Nyora (stage 2).

RECOMMENDATION

That Council:

- 1. Applies for \$500,000 from the Victorian Government's Regional Infrastructure Fund for the Great Southern Rail Trail Extension Project – Leongatha to Korumburra (stage 1);**
- 2. Applies for \$800,000 from the Victorian Government's Local Sports Infrastructure Fund – Strategic Facilities stream for the Great Southern Rail Trail Extension Project – Korumburra to Nyora (stage 2); and**
- 3. Continues to identify grant funding opportunities to support the development of the Great Southern Rail Trail;**
- 4. Continues to work in partnership with:**

- a. **Cardinia Shire Council, City of Casey, and Wellington Shire Council to extend the Great Southern Rail Trail; and**
- b. **Bass Coast Shire Council to develop a spur link from Nyora to the Bass Coast Rail Trail.**

REPORT

Great Southern Rail Trail Extension (Leongatha to Nyora)

The Great Southern Rail Trail (GSRT) is a tourism asset which is 71km in length and runs from Leongatha to Port Welshpool.

The project seeks to extend the trail from Leongatha to Nyora, an additional 36km towards Melbourne. Further development of this tourism asset is identified in the Council Plan, South Gippsland Shire's Economic Development and Tourism Strategy, and in Gippsland's Destination Management Plan (DMP) endorsed by the Victorian Government.

Council's vision is to use this abandoned asset as an economic driver and value add to our tourism economy. It will create greater amenity for our residents and provide safe linkages between many of our towns. The long-term vision is to develop Australia's longest rail trail in partnership with adjoining Municipal councils.

Council has been working in partnership with the Cardinia Shire Council, City of Casey, and Bass Coast Shire Council to further extend the GSRT to Clyde and spur link from Nyora to the Bass Coast rail trail. To support advocacy efforts, SGS Economics and Planning consultants were engaged to undertake a cost benefit analysis and economic impact assessment of the proposed extension of the GSRT. The analysis has shown that the extension represents a sound investment of capital. During construction, when the direct and indirect impacts are combined, the project will generate \$41.1M in regional income, \$19.1M in regional value-add, and 67 annual full-time equivalent positions. Once the project is fully operational, it is expected to lead to an increase of around \$4.04M in regional output per annum, \$2.35M in regional value-add per annum, and around 24.3 full time equivalent jobs.

Council has access to independent financial data which tracks local and visitor spend. The towns along the existing rail trail had an increase in visitor spend by \$2.6M (up 6 per cent) in the 2018/19 peak season when compared to 2017/18 season. After completing the missing link between Koonwarra and Meeniyan there was an increase in visitor spend by 15 per cent in the following peak season across these two towns.

The GSRT Extension is identified in the Gippsland Tracks and Trails Feasibility Study forming part of the proposed Gippsland Trail. The study recommends several iconic trail experiences, interconnecting trail networks, and growth of complementary trail products and services leading towards increased visitation, economic opportunities, and greater overnight stays in the region.

The development of, and demand for trails has increased globally, along with the trend for visitors to have experienced-based holiday or breaks.

In August 2019, a lease for the rail corridor between Leongatha and Nyora was executed between Council and VicTrack for the purpose of developing a rail trail.

The tender for the removal of rail infrastructure along the corridor from Leongatha to Nyora closed on the 29 October 2019 and is currently being assessed.

The GSRT Extension is a Priority Project that was first adopted by Council on 26 July 2017. The project is considered shovel ready and was reaffirmed as a 2019/20 Priority Project for Advocacy at the 25 September 2019 Ordinary Meeting of Council. Council is now ready to advocate for external funding support.

Regional Development Victoria (RDV) – Regional Infrastructure Fund (RIF)

The RIF is a single competitive round which opened on 6 November 2019 and closes on 18 December 2019. Successful applications are expected to be announced in late January 2020.

Maximum funding for successful projects is \$500,000.

Grant applications will need to demonstrate how projects:

- Improve economic performance and growth;
- Create and capture value by harnessing key regional strengths such as social, environmental or economic assets, capital, or specialisations;
- Enhance the social and/or economic resilience and competitiveness of the location;
- Align with state and regional priorities (i.e. Regional Partnership priority, or Regional, State or National or Council-endorsed plan or strategy);
- Maximise the value for money to the state including leveraging investment or funding from other sources;
- Demonstrate long term feasibility and viability that will sustain positive impacts; and
- Be delivered within two years of receiving funding approval.

The GSRT project meets the objectives of the program and has been a Priority Project of Council since July 2017.

It is recommended to submit an application to this program for the GSRT Extension Leongatha to Korumburra (stage 1).

Sport and Recreation Victoria (SRV) Local Sports Infrastructure Fund (LSIF)

The objective of the LSIF is that strong, active, and healthy communities need high-quality, accessible, well-designed, and managed infrastructure to conduct sport and active recreation activities. Developing infrastructure that supports participation by underrepresented groups to improve wellbeing of disadvantaged Victorians and local economic activity is a priority for the Victorian Government.

The program has five streams with one being Strategic Facilities. The Strategic Facilities stream supports the development and upgrade of significant sport and active recreation infrastructure with a demonstrated strategic catchment beyond a local community.

Identification of this project as part of a greater Gippsland Trail, identified in the Gippsland Destination Management Plan, gives the project strategic support under the funding guidelines.

Funding of up to \$800,000 is available through this stream.

Applications to the program close 14 February 2020 with outcomes anticipated in May/June 2020.

It is recommended to submit an application to this program for the GSRT Extension – Korumburra to Nyora (stage 2).

CONSULTATION

The GSRT Extension project for Leongatha to Nyora (stage 1) and Korumburra to Nyora (stage 2) is a current Council Priority Project for Advocacy, adopted on 25 September 2019. It was first adopted as a Priority Project in July 2017.

The project is identified in the Council Plan, Paths and Trails Strategy, Economic Development and Tourism Strategy, Recreation Plan, and Municipal Health and Wellbeing Plan, which have all undergone community consultation prior to their adoption.

The GSRT Extension project is supported by various community and business organisations including the GSRT Committee of Management, Leongatha Business Association, Korumburra Business Association, Korumburra Round Table, Loch Community Development Community Association, and Nyora Action Development District Association.

The project is supported by Destination Gippsland and is identified as part of the Gippsland Trail in the Destination Management Plan (DMP). The DMP identifies the unique offerings that lie within the region that can be leveraged to support tourism and facilitate economic growth and employment to 2030. The DMP has been endorsed by the Victoria Government.

Council has been working in partnership with Cardinia Shire Council, City of Casey, Bass Coast Shire Council, and Wellington Shire Council to extend the trail within their municipalities.

Rails Trails Australia and Bicycle Victoria have been consulted and fully support the project.

All of the above organisations have provided letters of support for the project.

RESOURCES

High level cost estimates for the Leongatha to Korumburra and the Korumburra to Nyora sections were \$3M each. A more detailed infrastructure assessment for the extension has been completed by qualified engineers within Council's Infrastructure Delivery department. The cost estimates have been revised to \$2,411,173.20 (rounded up to \$2,412,000) and \$3,164,307.01 (rounded up to \$3,170,000) respectively.

The funding breakdown in the applications is as follows:

GSRT Extension	Project Cost	Grant	Council Contribution
Leongatha to Korumburra	\$2,412,000	\$500,000	\$1,912,000
Korumburra to Nyora	\$3,170,000	\$800,000	\$2,370,000
	\$5,582,000	\$1,300,000	\$4,282,000

Funding is available in the Long Term Financial Plan to meet Council's contribution to the project.

There is likely be further funding opportunities for the project through the next round of the Australian Government's Building Better Regions Fund.

RISKS

There are no risks associated with submitting grant applications for these projects.

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Council Plan 2017-2021
 Priority Project 2019/20
 Paths and Trails Strategy (2017)
 Economic Development and Tourism Strategy
 Recreation Plan (2007)
 Municipal Health and Wellbeing Plan

Legislative Provisions

Local Government Act 1989

4.2. SOUTH GIPPSLAND COASTAL STRATEGY - OPTIONS FOR CONSULTATION

Development Services Directorate

EXECUTIVE SUMMARY

At the November 2017 Council Meeting Council passed a motion calling for the preparation of a Coastal Strategy. An Overview Paper (**Attachment [4.2.1]** - South Gippsland Coastal Strategy Overview) and a Background Report (**Attachment [4.2.2]** - South Gippsland Coastal Strategy Background Report) has been prepared outlining key issues and opportunities in South Gippsland's coastal areas including growth, environmental protection, waste water and asset management. The paper presents a number of different options for the future including possible areas of action and advocacy by Council. It is recommended that Council undertake public consultation from 18 December 2019 to 28 February 2020 to ensure that landowners in coastal areas have the opportunity to participate.

RECOMMENDATION

That Council:

- 1. Adopts the South Gippsland Coastal Strategy Overview (Attachment [4.2.1]) and Background Report (Attachment [4.2.2]) for the purpose of public consultation; and**
- 2. Undertakes community engagement from 18 December 2019 to 28 February 2020.**

REPORT

Our coast is a beautiful natural asset - highly valued by our local community and the many visitors it attracts. It comprises significant landscape and environmental areas including Wilsons Promontory, Corner Inlet, Andersons Inlet and Shallow Inlet Marine and Coastal Park. It also underpins many economic activities in the region including tourism, fishing, agriculture, freight and resource extraction activities (e.g. oil rigs). The management of coastal areas is complex, involving numerous government agencies and various regulatory frameworks governing land use and development.

The coastline is constantly under threat due to a broad range of issues including natural coastal hazards, manmade environmental pressure and health and safety concerns. Many of these issues are already being experienced by other municipalities and in South Gippsland where community assets and main roads have become threatened by retreating shorelines.

Planning for the coast is important given the long-term risk implications for Council, government agencies, private landowners / managers, business and other parties. Increasing environmental risks (notably rising sea levels and bushfire) will potentially have costly impacts on coastal areas. Planning to effectively respond to these issues now can reduce future costs and

community disruption / dislocation. It can also clarify where new development should continue to be encouraged.

Council is preparing this Coastal Strategy as a proactive step to better prepare South Gippsland's coast for future challenges.

CONSULTATION

Preparation of the strategy will involve community and key stakeholder engagement to assist in identifying coastal issues and possible solutions or avenues for advocacy on policy reform. It is proposed that the Coastal Strategy will be available for public comment from the 18 December 2019 Ordinary Council Meeting through to 28 February 2020. A number of Community information sessions will be held in townships along the coast.

RESOURCES

This project has a budget allocation of \$55,000 to support development of the Coastal Strategy.

RISKS

Council's current coastal strategy is 17 years old and coastal science, population pressures and policy have changed dramatically over that period. If a new strategy is not prepared Council will have an outdated policy basis on which to make increasingly difficult coastal management and development decisions.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. South Gippsland Coastal Strategy OVERVIEW - For Community Consultation - 18 December 2019 Council Meeti [4.2.1 - 4 pages]
2. South Gippsland Coastal Strategy BACKGROUND PAPER - For Community Consultation - 18 December 2019 Council [4.2.2 - 83 pages]

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Economic Development and Tourism Strategy 2018-2020

Open Space Strategy 2007

Seasonal Population Impacts in Coastal Towns Plan 2015

South Gippsland Coastal Development Plan 2004

South Gippsland Housing and Settlement Strategy 2013

South Gippsland Rural Land Use Strategy 2011

South Gippsland Seasonal Population Impacts in Coastal Towns Plan (2015)

Legislative Provisions

Aboriginal Heritage Act 2006

Climate Change Act 2017

Crown Land (Reserves) Act 1978

Environment Protection and Biodiversity Conservation Act 1999

Marine and Coastal Act 2018

Planning and Environment Act 1987

4.3. SOUTH GIPPSLAND PLANNING SCHEME - ENVIRONMENTAL AUDIT OVERLAY

Development Services Directorate

EXECUTIVE SUMMARY

How land was used and developed in the past may have caused land contamination that affects how it may be used and developed in the future. In its role assessing development proposals Council must consider “any significant effects” the environment may have on a future land use or development. This includes identifying potentially contaminated land. Contaminants can remain in the soil for decades and continue to pose a risk to human health if disturbed by development.

The Historic Risk and Industrial Land Use Project identifies potentially contaminated land within the municipality. It proposes to include the sites most likely to be contaminated into the Environmental Audit Overlay (EAO) of the South Gippsland Planning Scheme.

Including sites in the EAO provides transparency of land contamination risks in the South Gippsland Shire. The EAO reduces the likelihood that a sensitive land use like a new dwelling or school is constructed on contaminated land.

RECOMMENDATION

That Council seek authorisation from the Minister for Planning to prepare a planning scheme amendment to include high risk land contamination sites in the Environmental Audit Overlay of the South Gippsland Planning Scheme and exhibit the amendment to affected landowners.

REPORT

Why application of the Environmental Audit Overlay is required

South Gippsland Shire has historic land uses including former railway yards, petrol stations, factories, mines and other commercial and public land uses which are likely to have caused land contamination. Currently, only three sites are included in the Environmental Audit Overlay (EAO) of the South Gippsland Planning Scheme.

Land contamination presents a risk to Council and prospective land purchasers because planning permission for sensitive land uses could be issued before the land is confirmed to be safe, or made safe by remediation. For example, sensitive land uses including dwellings, child care facilities or food processing could be approved on potentially contaminated sites if the EAO is not present to highlight and manage the risk. There are many public examples in Victoria of residential subdivisions having been approved over landfill sites by error, and in Melbourne, an open space reserve was created on lead contaminated land. These situations often occur when local knowledge (in the community or council) is not captured and formalised in the land management system.

How land is identified for inclusion in the Environmental Audit Overlay

As part of this current project, extensive background research has collected information on historic land uses with the potential to cause contamination such as in-situ petrol tanks, land dumping (including asbestos), mining activity and other high risk uses where, for example, liquid chemicals may have entered the soil. This work has generated an initial list of potentially contaminated sites. This includes sites where a historic database indicates that a factory use may have occurred and as a consequence the land may have been contaminated. This information alone is insufficient justification to include land in the EAO and it is anticipated that further investigation will reduce the total number of known and potentially contaminated sites. Agricultural spraying and normal farming operations is not an activity warranting inclusion in the list.

What application of the Environmental Audit Overlay requires

The EAO requires that before a sensitive use (residential use, child care centre, pre-school centre or primary school) commences, or before the construction or carrying out of buildings and works in association with a sensitive use commences, either:

- A certificate of environmental audit must be issued for the land in accordance with Part IXD of the Environment Protection Act 1970, or
- An environmental auditor appointed under the Environment Protection Act 1970 must make a statement in accordance with Part IXD of that Act that the environmental conditions of the land are suitable for the sensitive use.

In summary, these requirements mean that the land on which a sensitive land use is proposed must be demonstrated to be free of potentially harmful contamination, or made free of contamination by soil rehabilitation (remediation). Remediation of land commonly involves the removal of contaminated soil and its replacement with clean soil, or 'capping', which is the process of sealing contamination under an impervious layer of soil or concrete.

These processes are controlled by the Environment Protection Act 1970 and administered by the Environment Protection Authority (EPA). Fulfilling the requirements of the EAO can be costly for landowners and its presence also has the potential to affect the sale of land. For these reasons applying the EAO should only occur where a high degree of certainty exists that the land is likely to be contaminated.

Staged application of the Environmental Audit Overlay

Determining if land is likely to be contaminated and warrants inclusion in the EAO can be both simple and complex depending on the nature of the former land use. For example, railway yards are considered by the State Government's land contamination guidelines to have a high potential for contamination and require little justification for inclusion in the EAO. Railyards are commonly found to be contaminated. The same applies to historic landfill sites.

Justification for the EAO becomes more complex where there is a lack of site specific information and contamination might only have occurred due to poor environmental management during operations. For example, chemical storage facilities are considered high risk for contamination, however one use may have operated on a fully concreted and bunded site (reducing contamination risk) while another use may have operated on a poorly controlled site causing extensive contamination. Applying the EAO to all sites within a particular class of land use based on an expectation that contaminating practices occurred is considered overly cautious and onerous on landowners. Without sound justification, a planning scheme amendment to apply the EAO based on limited or inconclusive site specific information is unlikely to be successful.

While some site specific testing has been done in South Gippsland, no expert report has been prepared to support application of the EAO. For this reason it is recommended that a staged approach be taken to EAO application:

- **Stage 1** - EAO application to sites with a known high land contamination risk and additional detailed investigation is not required. This includes rail yards, landfill / tip sites, former petrol retail / fuel depots where tanks are known to be in-situ or the EPA has no evidence of remediation / sites where conclusive photographic or historic evidence identifies a high risk for contamination.
- **Stage 2** - EAO application to sites where detailed further investigation is required (including consultation with past and present landowners) and it may be supported based on more rigorous historical investigation than required for Stage 1. Depending on the outcomes and experience gained in Stage 1, it would be expected that Stage 2 could be undertaken by council officers and would not require expert consultants.
- **Stage 3** - EAO application to sites where expert advice is required to determine if land is likely to be contaminated and the extent (spread) of the contamination. This will include the more difficult aspect of EAO application where contamination may only affect part of a site or where contamination may have crossed ownership boundaries and now affects landowners not responsible for causing the contamination.

It is recommended that Stage 1 proceed and that the EAO be applied to the highest risk sites presently known to Council. Sites will be identified and form the basis of a planning scheme amendment with full public consultation in 2020.

CONSULTATION

Exhibition of the planning scheme amendment will involve formal notification to all landowners and occupiers of sites proposed for inclusion in the EAO. The proposed amendment would also be subject to public notice.

RESOURCES

Stage 1 can be completed by the Planning Department without any additional budget allocation.

RISKS

Land contamination presents a risk to human health and a potential financial risk to landowner and Council if not managed appropriately. Where Council is aware that contamination has, or is likely to have occurred, it is the responsibility of Council to capture this information in its planning scheme. This ensures the information is clear and transparent for current and future owners, occupiers and those looking to use / develop land. Failure to do this creates a risk that an error will occur and a sensitive land use will be approved on a contaminated site. This could present legal liability to Council.

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

South Gippsland Planning Scheme

Legislative Provisions

Environment Protection Act 1970

Planning and Environment Act 1987

4.4. 2019/20 CAPITAL WORKS PROGRAM AMENDMENTS

Infrastructure Directorate

EXECUTIVE SUMMARY

Council adopts a Capital Works Program as part of the Annual Budget. A review of the Capital Works program has been undertaken to reflect the decisions made by Council since the adoption of the Annual Budget and to reflect the timing of priority project delivery.

Since their appointment, Administrators have received a number of briefings on the Capital Works program and have reviewed Council's suite of priority projects. Council's list of priority projects were adopted at the September 2019 Ordinary Meeting of Council.

This report proposes some project reductions and increases to the 2019/20 Capital Works Program, including carry-forward amounts to the 2020/21 financial year resulting in a nett reduction of \$9.6M in expenditure to the overall capital works program for this financial year.

A number of changes are recommended to budgeted income. Income is proposed to be reduced by \$2.4M. Past practices have budgeted aspirational income assumed to be received by way of grant funding opportunities. It is considered that it is a more prudent accounting practice to only reflect income that is actually received. Any grant funding that is secured will strengthen Council's financial position.

Project details and reasons for the proposed budget adjustments are discussed further in this report.

RECOMMENDATION

That Council approves the following amendments to the 2019/20 Capital Works Program:

- 1. Cost Centre 98010 – Long Jetty Caravan Park Capital:**
 - a. Decrease the expenditure budget by \$289,415 (2019/20 revised expenditure budget \$50,466).**
- 2. Cost Centre 98020 – Yanakie Caravan Park Capital:**
 - a. Decrease the expenditure budget by \$547,101 (2019/20 revised expenditure budget \$9,881).**
- 3. Cost Centre 73620 – Coal Creek – Capital Projects:**
 - a. Decrease the expenditure budget by \$130,383 (2019/20 revised budget \$0).**

- 4. Cost Centre 95080 – Pools – Splash Hydrotherapy Pool and Gymnasium, Leongatha:**
 - a. Decrease the expenditure budget by \$29,907 (2019/20 revised budget \$0).**
- 5. Cost Centre 82040 – Leongatha Business Precinct Project – Bair Street:**
 - a. Decrease the income budget by \$600,000 (2019/20 revised income budget \$850,000); and**
 - b. Decrease the expenditure budget by \$1,500,000 (2019/20 revised expenditure budget \$1,200,000).**
- 6. Cost Centre 82270 – Civil – Korumburra Commercial Streetscape:**
 - a. Decrease the expenditure budget by \$109,283 (2019/20 revised expenditure budget \$55,110).**
- 7. Cost Centre 73630 – Buildings – Korumburra Community Hub:**
 - a. Decrease the income budget by \$1,103,813 (2019/20 revised income budget \$0); and**
 - b. Decrease the expenditure budget by \$1,928,734 (2019/20 revised expenditure budget \$633,766).**
- 8. Cost Centre 93120 – Great Southern Rail Trail:**
 - a. Decrease the income budget by \$1,497,500 (2019/20 revised income budget \$15,000); and**
 - b. Decrease the expenditure budget by \$1,625,000 (2019/20 revised expenditure budget \$300,000).**
- 9. Cost Centre 85070 – Bridge – Bass Valley Road (KB080):**
 - a. Decrease the expenditure budget by \$101,459 (2019/20 revised expenditure budget \$0).**
- 10. Cost Centre 65350 – Agnes Falls Contribution:**
 - a. Reduce the expenditure budget by \$422,076 (2019/20 revised expenditure budget \$47,622).**
- 11. Cost Centre 88040 – Footpaths – Extension Program:**
 - a. Decrease the expenditure budget by \$160,000 (2019/20 revised expenditure budget \$133,885).**
- 12. Cost Centre 82420 – Roads – Gardner Lane, Poowong:**

- a. **Decrease the expenditure budget by \$256,000 (2019/20 revised expenditure budget \$1,000).**
- 13. Cost Centre 93140 – Recreation – Venus Bay Skate Park:**
- a. **Decrease the income budget by \$130,999 (2019/20 revised income budget \$0); and**
 - b. **Decrease the expenditure budget by \$250,000 (2019/20 revised expenditure budget \$0).**
- 14. Cost Centre 93180 – Recreation – Korumburra Skate Park:**
- a. **Decrease the expenditure budget by \$240,000 (2019/20 revised expenditure budget \$0).**
- 15. Cost Centre 73580 – Buildings Renewal Program:**
- a. **Decrease the expenditure budget by \$277,365 (2019/20 revised expenditure budget \$289,357).**
- 16. Cost Centre 93070 – Pools – Renewal Program:**
- a. **Decrease the expenditure budget by \$197,269 (2019/20 revised expenditure budget \$861,381).**
- 17. Cost Centre 99020 – Pools – Refurbishment Design – Mirboo North:**
- a. **Decrease the expenditure budget by \$1,985,000 (2019/20 revised expenditure budget \$3,500,000).**
- 18. Cost Centre 93170 – Korumburra Recreation Reserve – Change Room Refurbishment:**
- a. **Decrease the expenditure budget by \$79,713 (2019/20 revised expenditure budget \$4,256).**
- 19. Cost Centre 93150 – Recreation – Venus Bay Environmental Projects:**
- a. **Decrease expenditure budget by \$65,000 (2019/20 revised expenditure budget \$50,000).**
- 20. Cost Centre 93130 – Recreation – Baromi Park Masterplan & associated Works:**
- a. **Decrease income budget by \$180,000 (2019/20 revised income budget \$25,000); and**
 - b. **Decrease the expenditure budget by \$200,000 (2019/20 revised expenditure budget \$326,812).**

REPORT

Council adopts the Capital Works Program as part of the Annual Budget process however, from time-to-time, program changes are required. This report proposes numerous project reductions and a number of increases to the 2019/20 Capital Works Program, including carry forward amounts to the 2020/21 financial year resulting in a nett reduction of \$9.6M in expenditure to the overall program for this financial year – refer to **Table 1** for a summary of the proposed changes to the overall Capital Works Program.

Table 1 – Summary of Proposed Changes (Budget Impact)

	2019/20 Original	2019/20 Revised	Favourable (Unfavourable)	Carry Forward
Total Income	3,298,499	890,000	2,408,499	600,000
Total Expenditure	18,062,241	8,538,536	9,523,705	(5,942,705)
NET Favourable / (Unfavourable)			7,115,206	(5,342,705)

The individual project details and the more specific reasons for the proposed budget adjustments are discussed as follows:

1. Cost Centre 98010 – Long Jetty Caravan Park Capital: Decrease expenditure budget by \$289,415

2019/20 Adopted Expenditure Budget:	\$339,881	Revised:	\$50,466
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At the Ordinary Meeting of Council on 25 September 2019, Council resolved to receive a report by May 2020 that considers Council’s role in the direct management of Caravan Park operations.

Accordingly, it is recommended that Council only complete essential works required for compliance reasons, carry forward non-essential renewal works, and not proceed with any new works. Therefore, the budget for cabin replacement (\$152,664) and residence/kiosk (\$62,420) are proposed to be carried forward into the 2020/21 financial year whereas the budget for the new cabins (\$64,620), new power heads (\$5,790), and the storage shed (\$3,921) will go to the bottom line.

2. Cost Centre 98020 – Yanakie Caravan Park Capital: Decrease expenditure budget by \$547,101

2019/20 Adopted Expenditure Budget:	\$556,982	Revised:	\$9,881
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In line with the recommendation for the Long Jetty Caravan Park noted above, the only proposed works for Yanakie Caravan Park for 2019/20 is the power head replacement works (\$9,881). The new power head works (\$14,871) will go to the bottom line. It is proposed that the electrical upgrade (\$165,560), stage 2 firefighting (\$232,080), and toilet block works

(\$134,590) be carried forward to 2020/21. The electrical upgrade and firefighting works are still subject to scoping and approval processes and the toilet block works are going to be combined with the 2020/21 budget for the same package of works.

3. Cost Centre 73620 – Coal Creek – Capital Projects: Decrease expenditure budget by \$130,383

2019/20 Adopted Expenditure Budget:	\$130,383	Revised:	\$0
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It is proposed that the entire Coal Creek capital works budget be carried forward to 2020/21 as there are no programmed works to carry out this financial year.

4. Cost Centre 93080 – Pools – Splash Hydrotherapy Pool and Gymnasium, Leongatha: Decrease expenditure budget by \$29,907

2019/20 Adopted Expenditure Budget:	\$29,907	Revised:	\$0
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This budget is for the design of the spectator area (seating) along the southern wall adjacent the main pool at Splash, Leongatha. The seating works are scheduled in the 2021/22 financial year, therefore it is proposed to defer the design component of this project to the year before (2020/21) to ensure costings are accurate at the time of the adoption of the 2021/22 Annual Budget.

5. Cost Centre 82040 – Leongatha Business Precinct Project – Bair Street: Decrease income budget by \$600,000 and decrease expenditure budget by \$1,500,000

2019/20 Adopted Income Budget:	\$1,450,000	Revised:	\$850,000
2019/20 Expenditure Budget:	\$2,700,000	Revised:	\$1,200,000

Council was successful in securing \$2.7M for this project under the Federal Government's Building Better Regions Fund in March 2019 and then secured a further \$1.5M from the State Government's Round 2 of the Fixing Country Roads program in May 2019.

Once funding was announced, South Gippsland Water agreed to replace two ageing water mains in Bair Street to reduce the risk of burst mains damaging the new infrastructure to be constructed by Council under this project. The water main works commenced in September and were completed in late November 2019. The next package of works for this project is the undergrounding of the overhead powerlines and street lighting.

The businesses represented on Council’s Project Control Group for this project requested that these works not commence until after the Christmas trading period to mitigate impacts of construction works on businesses. The advertising of the electrical contract was deferred until 23 November 2019 to align with this request. It is expected that the final major contract for civil works will be advertised around February 2020. Based on this program, it is proposed that the income budget for 2019/20 be reduced to \$850,000 to reflect the income that will now be received this year and the expenditure budget be reduced to \$1.2M to better reflect the likely expenditure incurred by Council.

6. Cost Centre 82270 – Civil – Korumburra Commercial Streetscape: Decrease expenditure budget by \$109,283

2019/20 Adopted Expenditure Budget:	\$164,393	Revised:	\$55,110
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This project is for the civil design of the Korumburra Streetscape and was originally budgeted to be carried out by consultants. It will now be completed in-house and the savings will be directed to the bottom line.

7. Cost Centre 73630 – Buildings – Community Hub - Korumburra: Decrease income budget by \$1,103,813 and decrease expenditure budget by \$1,928,734

2019/20 Adopted Income Budget:	\$1,103,813	Revised:	\$0
2019/20 Revised Expenditure Budget:	\$2,562,500	Revised:	\$633,766

At the Ordinary Council Meeting on 25 September 2019, Council resolved to endorse relocating the location of the Korumburra Community Hub from the Korumburra Railway Station site to 4 Victoria Street, Korumburra (former Korumburra kindergarten). This was due to Council being unable to secure a suitable lease and VicTrack withdrawing funding for the restoration of the Korumburra Railway Station building.

The Korumburra Community Hub is now in the final stages of the master planning phase with detailed design planned for completion by May 2020 ready for commencement of the tender process. The expenditure budget has been reduced to reflect these design costs. The income budget has also been adjusted down to \$0 with an income allowance of \$750,000 allocated for 2020/21.

External funding is being sought from Local Government Victoria’s Living Libraries Infrastructure Fund for \$750,000 and the Victorian Government’s Community Infrastructure Loans Scheme for \$5M.

8. Cost Centre 93120 – Great Southern Rail Trail: Decrease income budget by \$1,497,500 and decrease expenditure budget by \$1,625,000

2019/20 Adopted Income Budget:	\$1,512,500	Revised:	\$15,000
2018/20 Adopted Expenditure Budget:	\$1,925,000	Revised:	\$300,000

A lease with VicTrack for the rail corridor between Leongatha and Nyora was signed by Council in August 2019. Council formally approved the GSRT Extension from Leongatha to Korumburra (Stage 1) and Korumburra to Nyora (Stage 2) as Priority Projects for Council at the 25 September 2019 Ordinary Council Meeting.

A tender for the removal of rail assets along this corridor was advertised on 28 September and closed on 29 October 2019 and is currently being assessed. The next tender will be for the construction of the trail itself and associated works which is likely to go out to tender early in 2020.

The expenditure budget is being adjusted to reflect that program. As a Priority Project, this section of the GSRT is fully funded with the assumed income being decreased accordingly. The revised income of \$15,000 is for contributions from adjacent Council's for the Cost Benefit Analysis & Economic Impact Assessment which is currently being completed.

Two Victorian Government grant funding programs have been identified that align with this Priority Project. Council can apply for a combined \$1.3M.

9. Cost Centre 85070 – Bridge – Bass Valley Road (KB080): Decrease expenditure budget by \$101,459

2019/20 Adopted Expenditure Budget:	\$101,459	Revised:	\$0
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It is proposed that this project be carried forward to 2020/21 due to Council being successful in securing \$400,000 for the Timms Road Bridge through the Fixing Country Roads program. Due to the short supply of local bridge contractors, it is unlikely that this project will be deliverable.

10. Cost Centre 65350 – Agnes Falls Contribution: Decrease expenditure budget by \$422,076

2019/20 Adopted Expenditure Budget:	\$469,698	Revised:	\$47,622
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At the Ordinary Meeting of Council on 20 November 2019, Council resolved to not to proceed with the construction of the Agnes Falls

cantilevered lookout. The remaining budget will be reallocated to projects in the 2020/21 Annual Budget.

11. Cost Centre 88040 – Footpaths - Extension Program: Decrease expenditure budget by \$160,000

2019/20 Revised Expenditure Budget:	\$293,885	Revised:	\$133,885
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Construction of a new footpath along Old Waratah Road Fish Creek was included in the 2018/19 footpath extension program. This project was not completed following a petition opposed to the construction of the footpath. In response to the petition, Council surveyed the affected residents on both sides of Old Waratah Road in May 2019. Based on the petition and the survey response, it is proposed that Council withdraws the budget allocation for the Old Waratah Road footpath and re-directs the budget to Brown Street Leongatha, Shingler Street Leongatha, Ogilvy Street Leongatha and River Drive Tarwin Lower for which Council has completed designs. These works will be carried out in 2020/21.

It is proposed that two “slow points” be constructed along Old Waratah Road as part of kerb and channel replacement works in 2020/21 subject to Council approval as part of the budget process. These works are designed to better manage vehicle speeds along this section of road.

12. Cost Centre 82420 – Roads – Gardner Lane Poowong: Decrease expenditure budget by \$256,000

2019/20 Original Expenditure Budget:	\$257,000	Revised:	\$1,000
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This budget is for works on Gardner Lane Poowong to improve safety and amenity issues. A design is currently being developed to separate general traffic from the abattoir operation. It is therefore proposed that the budget be carried forward to 2020/21 except for a small design budget. The design will require consultation with affected land owners.

13. Cost Centre 93140 – Recreation – Venus Bay Skate Park: Decrease income budget by \$130,999 and decrease expenditure budget by \$250,000

2019/20 Adopted Income Budget:	\$130,999	Revised:	\$0
2019/20 Adopted Expenditure Budget:	\$250,000	Revised:	\$0

The Venus Bay Skate Park is partly funded by the Community Capital Works Allocation Program to the extent of \$125,000, and has an assumed income of \$130,999 with Council capital works funding bringing the total

budget to \$250,000. These works are on hold until the Venus Bay Masterplan process is completed which is expected be presented to Council in early 2020. Hence, it is proposed that the \$250,000 budget is carried forward to 2020/21. It is not anticipated that Council will receive any grant funding for this project so the assumed income of \$130,999 should be removed from the budget.

14. Cost Centre 93180 – Recreation – Korumburra Skate Park: Decrease expenditure budget by \$240,000

2019/20 Adopted Expenditure Budget:	\$240,000	Revised:	\$0
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The Korumburra Skate Park is partly funded by the Community Capital Works Allocation Program (\$50,000) and has also attracted \$100,000 in grant funding through Sport and Recreation Victoria (SRV). Council increased its contribution by an additional \$100,000 bringing the total budget to \$250,000. These works are currently on hold until a new location is determined for the skate park as it was originally planned to be part of the railway station precinct. A new site is now required for the skate park. Therefore, it is proposed that the budget for the Korumburra Skate Park be carried forward to 2020/21.

15. Cost Centre 73580 – Buildings Renewal Program: Decrease expenditure budget by \$277,365

2019/20 Adopted Expenditure Budget:	\$566,722	Revised:	\$289,357
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It is proposed that some items be removed from the Buildings Renewal Program with the budget going to the bottom line. These items include painting at the Foster Childrens Centre (\$80,373) which is not required and carpet replacement at the main Leongatha Office (\$75,015). For the Foster War Memorial building, only \$100,000 budget is now required so it is proposed the remaining \$41,604 from this budget be directed to the bottom line. With respect to the floor works at the Mirboo North Hall, more scoping is required for these sanding and ventilation works so it is proposed this budget (\$80,373) be carried forward to 2020/21.

16. Cost Centre 93070 – Pools – Renewal Program: Decrease expenditure budget by \$197,269

2019/20 Adopted Expenditure Budget:	\$1,058,650	Revised:	\$861,381
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The works on the containment bay at the Foster Swimming Pool (\$197,269) will not proceed in 2019/20 as there are further investigations to be conducted on the required works. Therefore, it is proposed that this budget be carried forward to 2020/21.

**17. Cost Centre 99020 – Pools – Refurbishment Design – Mirboo North:
Decrease expenditure budget by \$1,985,000**

2019/20 Original Expenditure Budget:	\$5,485,000	Revised:	\$3,500,000
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The two tenders for the construction of the Mirboo North pool and the associated pavilion were approved at the November 2019 Council meeting and subsequently combined into one contract. At that meeting, Council also approved an overall budget increase to \$5,732,570. The contract target completion date is mid-October 2020 and the expected expenditure in 2019/20 is \$3.5M. Therefore, the balance of the budget is to be carried forward to 2020/21.

18. Cost Centre 93170 – Korumburra Recreation Reserve – Change Room Refurbishment: Decrease expenditure budget by \$79,713

2019/20 Revised Expenditure Budget:	\$83,969	Revised:	\$4,256
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This project was delivered under budget and officially opened on 12 June 2019. With minor expenditure incurred in 2019/20, the balance of the budget should be directed to the bottom line.

**19. Cost Centre 93150 - Recreation – Venus Bay Environmental Projects:
Decrease expenditure budget by \$65,000**

2019/20 Revised Expenditure Budget:	\$115,000	Revised:	\$50,000
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The works planned for 2019/20 is a combination of signage, trackwork, and revegetation with an expenditure of \$50,000. The balance of the works involves an arts/sculpture competition which will extend into 2020/21 so the balance of the budget needs to be carried forward.

20. Cost Centre 93130 - Recreation – Baromi Park Masterplan & Associated Works: Decrease income budget by \$180,000 and decrease expenditure budget by \$200,000

2019/20 Adopted Income Budget:	\$205,000	Revised:	\$25,000
2019/20 Revised Expenditure Budget:	\$526,812	Revised:	\$326,812

The Baromi Park works are funded to the value of \$300,000 under the Community Capital Works Allocation Program and an additional \$250,000 in grant funding has been secured. The works that are likely to be delivered during 2019/20 are the new public toilet which is currently under construction, the nature based playground, as well as a significant portion

of the active play and arts performance elements. It is proposed that \$200,000 of this budget be carried forward into 2020/21 financial year to reflect the uncompleted works. The income budget is being amended to reflect funds received earlier than anticipated.

21. Cost Centre (New) – Roads – Clancys Road, Korumburra: Increase expenditure budget by \$750,000

2019/20 Adopted Income Budget:	\$0	Revised:	\$750,000
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Due to the increase in Roads to Recovery (R2R) funding being received by Council over the next five years commencing in 2019/20, there is adequate funding to commence some gravel to seal projects. The highest priority project on this program is the sealing of a 3 km section of Clancys Road in Korumburra commencing at Scott & Faheys Road which includes the rehabilitation of the first 600m which is already sealed but in poor condition. It is intended to complete this work over two years commencing in 2019/20 by sealing the first half of this section of road which requires a \$750,000 budget.

CONSULTATION

Discussions with the relevant Council officers managing the various projects in this report have taken place to ascertain the status of each project and the likely expenditure for 2019/20.

RESOURCES

The proposed amendments have a significant change to the total budget for the 2019/20 Capital Works Program with expenditure reduced by \$9,643,705 and income decreased by \$2,408,499 meaning a nett favourable position amounting to \$7,235,206. The significant carried forward amount into the 2020/21 financial year (increase of \$600,000 in income and \$5,942,705 in expenditure) will increase the workload in that year.

The breakdown of the proposed changes is provided in **Table 3** below:

Table 3 – Proposed Changes (Budget Impact)

			2019/20 Original	2019/20 Revised	Favourable / (Unfavourable)	Carry Forward
INCOME						
5	82040	Bair Street Leongatha	1,450,000	850,000	(600,000)	600,000
8	93120	GSRT	1,512,500	15,000	(1,497,500)	
13	93140	Venus Bay Skate Park	130,999	0	(130,999)	
20	93130	Baromi Park Masterplan	205,000	25,000	(180,000)	

Table 3 – Proposed Changes (Budget Impact)

			2019/20 Original	2019/20 Revised	Favourable / (Unfavourable)	Carry Forward
		Total Income	3,298,499	890,000	(2,408,499)	600,000

EXPENDITURE						
1	98010	Long Jetty Caravan Park	339,881	50,466	289,415	(215,084)
2	98020	Yanakie Caravan Park	556,982	9,881	547,101	(532,230)
3	73620	Coal Creek	130,383	0	130,383	(130,383)
4	93080	Splash Pool Leongatha	29,907	0	29,907	(29,907)
5	82040	Bair Street Leongatha	2,700,000	1,200,000	1,500,000	(1,500,000)
6	82270	Commercial St Korumburra	164,393	55,110	109,283	
7	73630	Korumburra Hub	2,562,500	633,766	1,928,734	
8	93120	GSRT	1,925,000	300,000	1,625,000	
9	85070	Bass Valley Road Bridge	101,459	0	101,459	(101,459)
10	65350	Agnes Falls	469,698	47,622	422,076	
11	88040	Footpath Extension Program	293,885	133,885	160,000	(160,000)
12	82420	Gardner Lane Poowong	257,000	1,000	256,000	(256,000)
13	93140	Venus Bay Skate Park	250,000	0	250,000	(250,000)
14	93180	Korumburra Skate Park	240,000	0	240,000	(240,000)
15	73580	Buildings Renewal Program	566,722	289,357	277,365	(80,373)
16	93070	Pools Renewal Program	1,058,650	861,381	197,269	(197,269)
17	99020	Mirboo North Pool	5,485,000	3,500,000	1,985,000	(1,985,000)
18	93170	Korumburra Rec Reserve	83,969	4,256	79,713	
19	93150	Venus Bay Env Projects	115,000	50,000	65,000	(65,000)
20	93130	Baromi Park <u>Master</u> Plan	526,812	326,812	200,000	(200,000)
21	New	Clancys Road	0	750,000	(750,000)	
		Total Expenditure	17,857,241	8,213,536	9,643,705	(5,942,705)

NET 2018/19 (IMPACT ON BUDGET)						
		Total Income	3,298,499	890,000	2,408,499	600,000
		Total Expenditure	17,857,241	8,213,536	9,643,705	(5,942,705)
		NET Favourable / (Unfavourable)			7,235,206	(5,342,705)

RISKS

The budget adjustments recommended in this report will align more closely with the Capital Works Program to be delivered in 2019/20.

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

2019/20 Capital Works Program
Asset Management Strategy
Long Term Financial Plan
Procurement Policy (C32)

Legislative Provisions

Local Government Act 1989
Road Management Act 2004

4.5. PETITION RESPONSE - LEONGATHA AUTOBARN CAR PARK LIGHTING

Infrastructure Directorate

EXECUTIVE SUMMARY

At the 20 November 2019 Ordinary Meeting of Council, a petition was received containing approximately 686 signatures requesting Council install lighting in the car park adjacent to Leongatha Autobarn at 5 Michael Place, Leongatha. The petition also contained supporting letters from the Director of Leongatha Autobarn, the Leongatha Returned Services League (RSL) Manager, and the Korumburra Police Station.

At that meeting Council resolved that the petition lay on the table until the 18 December 2019 Ordinary Meeting of Council to allow time for a report to be prepared in response to the petition.

The car park adjacent to Leongatha Autobarn is Council owned and provides all day car parking to the general public.

The installation of lighting at the car park is estimated at \$20,000 which can be accommodated in the 2020/21 minor works budget.

It is recommended that Council refer the cost allocation of \$20,000 for funding to the development of the 2020/21 Annual Budget for the installation of lighting at the car park adjacent to Leongatha Autobarn 2020/21 and writes to the lead petitioner to advise Council's decision.

RECOMMENDATION

That Council:

- 1. Refer the cost allocation of \$20,000 for funding to the development of the 2020/21 Annual Budget for the installation of lighting at the car park adjacent to Leongatha Autobarn; and**
- 2. Writes to the lead petitioner to advise Council's decision on the petition proposal.**

REPORT

A petition was received at the 20 November 2019 Ordinary Meeting of Council requesting Council installs lighting in the car park adjacent to Leongatha Autobarn car park. The petition contained approximately 686 line entries. The requirements of valid signatories on a petition must include names and residential addresses. In the case of this petition, there were approximately 368 valid signatures (342 within the Shire and 16 were outside the Shire) with a total of 328 being identified as invalid signatures.

Accompanying the petition were letters of support from the Director of Leongatha Autobarn, the Leongatha Returned Services League (RSL) Manager,

and from the Korumburra Police Station. A copy of the petition and letters of support are available in **Confidential Attachment [15.1.1]**. The petition prayer is available in **Figure 1**.

Figure 1 – Petition Prayer

PUBLIC PETITION

To request that the South Gippsland Shire Council **install lighting in the public car park** between the Victoria Police Precinct, and Autobarn Leongatha.

This area is used by the general public, customers of Autobarn, the RSL, and for all day parking by employees of surrounding businesses.

This is a **safety issue**, there is **no lighting** in the area.

It affects personal safety, the risk of tripping and falling, and security for parked vehicles.

The car park is located between the Leongatha Police Station and Leongatha Autobarn (shown as in **Figure 2**) and can be accessed from Michael Place and the South Gippsland Highway as detailed in the street view images in **Figure 3** and **Figure 4**.

Figure 2 – Locality Map – Leongatha Autobarn Car Park



Figure 3 – Street View Access from Michael Place



Figure 4 – Street View Access from South Gippsland Highway



CONSULTATION

Council has received requests in the past for lighting in the car park adjacent to Leongatha Autobarn, however, there was no funding recognised in the current or future budgets.

RESOURCES

The installation of lighting at the car park is estimated at \$20,000 which will be considered as part of the development of the 2020/21 Annual Budget.

STAFF DISCLOSURE

Nil

CONFIDENTIAL ATTACHMENTS

Confidential Attachment [15.1.1] – Petition – Leongatha Autobarn Car Park Lighting and Letters of Support – have been provided in accordance with s.77(2)(c) of the Local Government Act 1989. The Chief Executive Officer designates this Agenda Item as confidential information on the grounds that it relates to s.89(2)(h) - any other matter which the Council or Special Committee considers would prejudice the Council or any persons. This item is deemed

confidential to protect the privacy and personal details of the petition signatories.

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget 2019/20

Asset Management Plan - Road Infrastructure

Asset Management Policy (C04)

Asset Management Strategy

Road Management Plan

Legislative Provisions

Local Government Act 1989

Road Management Act 2004

4.6. KORUMBURRA COMMUNITY HUB - RELEASE OF CONCEPT DESIGN FOR COMMUNITY INFORMATION

Infrastructure Directorate

EXECUTIVE SUMMARY

The Korumburra Community Hub is a Council Priority Project which was first formally endorsed on 26 July 2017 as part of the Korumburra Revitalisation Project and is a Strategic Objective of the 2017-2021 Council Plan.

The Korumburra Revitalisation Project is an outcome from the Korumburra Town Centre Framework Plan (KTCFP) which was adopted in 2013. The KTCFP involved seven months of extensive community consultation and resulted in 275 individual submissions.

The KTCFP is adopted in the South Gippsland Planning Scheme.

At the Ordinary Council Meeting on 25 September 2019, Council resolved to endorse the location of the Korumburra Community Hub development from the Korumburra Railway Station site to 4 Victoria Street, Korumburra (former Korumburra Kindergarten). At this meeting, Council approved a contract fee variation from Francis-Jones Morehen Thorp P/L consultants (FJMT) to complete designs at the new site.

Concept plans have been completed which have been presented and discussed with the stakeholder groups; West Gippsland Regional Library, Milpara Community House, Korumburra & District Historical Society, Korumburra Senior Citizens, and Korumburra Rotary Club. These plans will be available to the public to view on Council's website from 18 December 2019.

RECOMMENDATION

That Council note:

- 1. The Korumburra Community Hub concept plans have been completed and developed with consultation with the Hub stakeholders;**
- 2. The Korumburra Community Hub concept plans are available on Council's website for the public to view from 18 December 2019;**
- 3. That the Planning Permit for the development of the Korumburra Community Hub will be publicly advertised in early 2020; and**
- 4. That the plans will be widely displayed throughout the Korumburra Community including the Library and Senior Citizens.**

REPORT

The Korumburra Community Hub is a Council Priority Project which was first formally endorsed on 26 July 2017 as part of the Korumburra Revitalisation Project. The Korumburra Revitalisation Project is an outcome from the Korumburra Town Centre Framework Plan (KTCFP) which was adopted in 2013 and into the South Gippsland Planning Scheme.

The KTCFP involved seven months of extensive community consultation and resulted in 275 individual submissions. The Korumburra Revitalisation Project aims to reinvigorate the town centre and meet the needs of the community through development of integrated services and the platform to attract investment.

The Korumburra Community Hub is also a recommendation of the Korumburra Community Infrastructure Assessment which was also adopted in 2013. The purpose of this report is to:

- Guide the development, timing, design and location of community infrastructure over the next 20 years
- Identify and prioritise services and facilities required for an emerging population
- Support the allocation of funds to community infrastructure.

The current Council Plan (2017 – 2021) identifies the need to develop a Community Hub in Korumburra noting that the hub will improve existing services and cater for increased demand as the townships population grows to an estimated 6,000 residents in 2030.

Council selected 4 Victoria Street, Korumburra as the location for the Korumburra Community Hub at the 25 September 2019 Ordinary Council Meeting.

At the Ordinary Meeting of Council on 25 September 2019, Council endorsed 4 Victoria Street as the location for the Korumburra Community Hub and a contract fee variation was approved from FJMT for the development of concept designs. Concept designs are complete with the floor plan developed in consultation with relevant stakeholders including West Gippsland Library Corporation, Milpara Community House, Korumburra & District Historical Society, Korumburra Rotary Club, and Korumburra Senior Citizens.

The concept design was presented at a public drop-in session on the 16 December 2019 and will be available on the Council website from the 18 December 2019 for viewing.

A Planning Permit is required for the development and will be advertised early in 2020.

It is anticipated that the design and contract documentation will be completed by the end of May 2020 and the tender process for construction will commence from June 2020.

It is anticipated that the tender documentation will be completed by the end of May. The current Project Programme outlines the next stages of the project through to tender for construction – refer to Figure 1 located at the end of this report.

CONSULTATION

A stakeholder group for the design development of the Korumburra Community Hub was established consisting of representation from the West Gippsland Library Corporation, Milpara Community House, and the Korumburra Rotary Club.

Meetings have been held with members of the Korumburra Senior Citizens and Korumburra & District Historical Society with the Administrator Chair, Acting Chief Executive Officer, and Project Manager to present and discuss the floor plans.

RESOURCES

The development of the Korumburra Community Hub is in Council's Long Term Financial Plan. External funding is being sought from Local Government Victoria's Living Libraries Infrastructure Fund and the Community Infrastructure Loans Scheme.

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Council Plan 2017 – 2011

Korumburra Town Centre Framework Plan

Priority Projects 2019/20

Legislative Provisions

Planning & Environment Act 1987

Local Government Act 1989

4.7. MIRBOO NORTH POOL REDEVELOPMENT PROJECT - 2018/19 COMMUNITY SPORTS INFRASTRUCTURE LOAN SCHEME - TERMS & CONDITIONS

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Council successfully applied for a loan for \$3.6M for the Mirboo North Pool Redevelopment project through Sport and Recreation Victoria's 2018/19 Community Infrastructure Sports Loan Scheme. The Terms and Conditions of the loan scheme are summarised in this report and a full copy is included as **Attachment [4.7.1]**.

RECOMMENDATION

That Council:

- 1. Authorises the Chief Executive Officer to endorse the Terms and Conditions of the loan agreement with Treasury Corporation of Victoria (TCV) through the 2018/19 Community Sports Infrastructure Loans Scheme for the amount of \$3.6 million; and**
- 2. Authorises the Chief Executive Officer to enter into the loan agreement with Treasury Corporation of Victoria for the amount of \$3.6 million.**

REPORT

Background

At the Ordinary Meeting of Council on 22 August 2018, it was resolved:

That Council:

- 1. Applies for a loan through Sport and Recreation Victoria's 2018/19 Community Sports Infrastructure Loans Scheme for the Mirboo North Pool Refurbishment Project for the amount of \$3.6M;*
- 2. Notes Council's contribution for the Mirboo North Pool Refurbishment Project of \$3.6M allocated through the 2018/19 Capital Works Program; and*
- 3. If the loan application is successful through Sport and Recreation Victoria's 2018/19 Community Sports Infrastructure Loans Scheme for an amount of \$3.6M, a report to Council will be provided to endorse the terms and conditions of the loan and authorise the Chief Executive Officer to enter into the loan agreement.*

Sport and Recreation Victoria's (SRV) innovative \$100M Community Sports Infrastructure Loans Scheme (Loans Scheme) was announced as part of the 2018/19 Victorian Budget. SRV's Loans Scheme is providing organisations

access to low-interest loans between \$500,000 and \$10M. These loans can be used to develop high-quality sport and recreation infrastructure that increases access to sport and active recreation in Victoria.

Eligible projects include the upgrade and development of significant community sport and recreation infrastructure such as indoor or outdoor aquatic leisure facilities, indoor sports stadiums, community sport precincts and active recreation infrastructure including trails.

The terms of the loan are:

- During the construction facility period, the TCV current variable rate is based on the Reserve Bank cash rate (currently 0.75%) plus a TCV processing fee of 0.165%.
- At the end of the construction facility period, the amount drawn down reverts to a fixed principle and interest loan facility based on TCV's borrowing rate. As of 23 October 2019, TCV's 10-year indicative loan borrowing rate was 1.495 per cent.
- An additional interest subsidy of at least 50 per cent applies to both the construction facility and loan facility, resulting in indicative interest rates of 0.4575% during construction phase and 0.7475% during loan phase.
- An approved Community Access Agreement between Sport and Recreation Victoria (SRV) and Council.
- Loan terms up to 15 years.
- Variable timing of repayments (monthly / quarterly / bi-annual).

STAFF DISCLOSURE

Nil

ATTACHMENTS

Documents are available on Council's website: www.southgippsland.vic.gov.au

1. Treasury Corporation Victoria - Loan Facility Agreements **[4.7.1]**.

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget Incorporating 15 Year Long Term Financial Plan and Annual Plan Initiatives

Legislative Provisions

Local Government Act 1989

4.8. GENERAL LOCAL LAW (AMENDMENT 1 2019) – CONSULTATION UPDATE

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

At its 23 October 2019 Ordinary Meeting, Council resolved to undertake a formal consultation period on its proposed amendments to the *General Local Law (2014)* (Local Law), referred to as *General Local Law (Amendment 1 of 2019)*.

The aim of the consultation period was to generate discussion and receive feedback from the community. The level of response from the community has been significant, Council has welcomed all feedback and is now responding to community sentiment.

While the proposed amendments were shaped by a number of complaints that Council has received since the last Local Law review, it has become apparent that the proposed amendments are not supported by the majority of the South Gippsland community.

It is recommended that Council discontinue the consultation process and acknowledges that the current 2014 Local Law meets the expectations of most South Gippsland residents.

RECOMMENDATION

That Council:

- 1. Discontinues the consultation process for *General Local Law (Amendment 1 of 2019)* at 5.00pm on 18 December 2019;**
- 2. Gives notice in the Government Gazette and public notice in Council's Noticeboard section of the local newspapers stating that Council has discontinued the statutory procedures pursuant to s.119 and s.223 of the Local Government Act 1989 regarding *General Local Law (Amendment 1 of 2019)*;**
- 3. Writes to all those who made submissions and lodged petitions to inform them of Council's decision; and**
- 4. Endorses the continued application of the current *General Local Law (2014)*.**

REPORT

At its 23 October 2019 Ordinary Meeting Council resolved to undertake a formal consultation period on its proposed *General Local Law (Amendment 1 of 2019)*.

The community consultation period commenced on 30 October 2019. Information dissemination and consultation included the following:

- Thirteen presentation and question sessions at community meetings (**Attachment [4.8.1]** - Community Meetings and Submission Box Stations);
- One-on-One conversations – via phone and in person – with individuals who have directly contacted Council;
- Twenty-two information stations and submission boxes at various locations across the municipality (**Attachment [4.8.2]** – General Local Law (Amendment 1 of 2019) – Communication Tracking))
- Council’s communication channels have reached in excess of 114,000 people via:
 - Facebook posts with a cumulative reach of almost 55,000 people;
 - Advertisements and public notices in the local papers including the Great Southern Star, the South Gippsland Sentinel Times, the Mirboo North Times and the Foster Mirror, with a potential readership of approximately 50,000 people (based on published figures);
 - Sixteen media enquiries received and responded to;
 - Seven formal interviews across various mediums including radio, television and print media; and
 - Community Newsletters such as ‘In the Know’ and ‘Community 55+’.

For further detail on communication tracking please see attachment (**Attachment [4.8.2]** – General Local Law (Amendment 1 of 2019) – Communication Tracking).

While the consultation period was due to conclude on 10 January 2020, the community has clearly expressed its position on the proposed amendments. It is recommended that Council discontinue the consultation process and continue to use the 2014 version of the General Local Law.

RISKS

There is a risk that if the consultation period continues through to 10 January 2020 that members of the community will continue to be anxious about the proposed changes.

While the proposed changes were designed to better align the Local Law with community expectations, this was based on complaints made since the last review of the Local Law. While it is now clear that the proposals were not acceptable to the majority of the community, there is still a risk that Council will be called upon to resolve issues without having a Local Law that addresses those particular concerns.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. General Local Law (Amendment 1 of 2019) - Community Meetings and Submission Box Stations - Map [4.8.1 - 1 page]
2. General Local Law (Amendment 1 of 2019) - Communication Tracking [4.8.2 - 3 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

General Local Law (2014)

Right to make a Submission Policy (CE13)

Legislative Provisions

Building Act 1993

Country Fire Authority Act 1958

Domestic Animals Act 1994

Emergency Management Act 1986

Environmental Protection Act 1970

Graffiti Prevention Act 2007

Impounding of Livestock Act 1994

Interpretation of Legislation Act 1984

Liquor Control Reform Act 1998

Local Government Act 1989

Ministers Guidelines for Local Laws Manual 2010

Planning and Environment Act 1987

Road Management Act 2004

Road Safety Act 1986

Summary Offences Act 1966

The Regulations made under these Acts

5. OBJECTIVE 4 - ENHANCE ORGANISATIONAL DEVELOPMENT AND IMPLEMENT GOVERNANCE BEST PRACTICE

5.1. DEVELOPMENT OF SOUTH GIPPSLAND SHIRE COUNCIL'S GOOD GOVERNANCE FRAMEWORK

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

On 19 June 2019 the Victorian Government announced the dismissal of the South Gippsland Shire Council. This decision followed the tabling of final reports by the Municipal Monitor and the Commission of Inquiry into the South Gippsland Shire Council. These reports were introduced into Parliament along with the Bill to dismiss the Council.

Following the appointment of an interim Administrator, the Victorian Government appointed a panel of three Administrators on 24 July 2019. In addition to performing the normal functions of Council, the Administrators have been appointed to restore good governance practices and implement the recommendations of the Commission of Inquiry into South Gippsland Shire Council.

The Municipal Monitor's report provides a further assessment of the governance practices of the South Gippsland Shire Council. The Monitor assessed the Council against the Good Governance framework developed by the Commission of Inquiry into the Geelong City Council.

The Commission of Inquiry into the Geelong City Council described governance as 'the framework of structures, rules and processes by which an organisation is directed and controlled. It is also the way in which organisational objectives are set, organisational decisions are made, powers granted, performances verified and accountability ensured.'

This report recommends adopting the '*South Gippsland Shire Council Good Governance Framework*' (SGSC Framework) in **Attachment [5.1.1]**. It is based on the same framework developed by the Commission of Inquiry into the Geelong City Council and used by the Municipal Monitor to assess the performance of the South Gippsland Shire Council.

The SGSC Framework addresses 8 pillars of good governance; Direction and Leadership; Culture and Behaviour; Decision Making; Structure, Systems and Policies; Communications and Community Engagement; Capability, Risk & Compliance; Monitoring and Performance Review.

To keep the community informed a report measuring progress against the SGSC Framework will be presented to Council every six months during the term of appointed Administrators. Once the good governance framework is fully implemented reporting should occur in line with Council's Annual Report.

RECOMMENDATION

That Council:

1. **Adopts the 'South Gippsland Shire Council Good Governance Framework' contained in Attachment [5.1.1];**
2. **Notes that the South Gippsland Shire Council Good Governance Framework is based on the model developed by the Commission of Inquiry into the Geelong City Council;**
3. **Notes that the South Gippsland Good Governance Framework is a similar model to the framework the Municipal Monitor used to assess the South Gippsland Shire Council;**
4. **Notes that the Good Governance Framework provides a mechanism to implement the recommendations of the Commission of Inquiry into the South Gippsland Shire Council; and**
5. **Receives a public report at six monthly intervals which measures progress against the South Gippsland Shire Council Good Governance Framework until the end of the Administrators Term and thereafter in the Annual Report.**

REPORT

Background

On 19 June 2019 the Victorian Government announced the dismissal of the South Gippsland Shire Council. This decision followed the appointment of a Municipal Monitor and the establishment of the Commission of Inquiry into the South Gippsland Shire Council. The final reports of the Municipal Monitor and the Commission of Inquiry were tabled in Parliament along with the Bill to dismiss the South Gippsland Shire Council on 19 June 2019.

Following the appointment of an interim Administrator, the Victorian Government appointed a panel of three Administrators on 24 July 2019 to perform the functions of the South Gippsland Shire Council. The Administrators have been appointed to restore good governance practices and implement the recommendations of the Commission of Inquiry. In making the appointment the Minister for Local Government, The Hon. Adem Somyurek MP remarked "the appointment of the Administrators is about returning good governance to the people of South Gippsland."

The 'report of the Commission of Inquiry into South Gippsland Shire Council' made a number of recommendations for Council to implement during the term of Administrators. With respect to governance, most notably;

"Review and implements improved Council policies and processes, with a focus on councillor induction and training, Councillor Code of Conduct and meeting procedures."

The independent Commission of Inquiry established by the Minister for Local Government into the Geelong City Council contemplated many governance matters. An outcome of this Inquiry resulted in the development of the 'Framework for Good Governance'. It is considered a leading industry practice and has been implemented by other Victorian Councils.

The Commission of Inquiry into the Geelong City Council described Governance as "the framework of structures, rules and processes by which an organisation is directed and controlled. It is also the way in which organisational objectives are set, organisational decisions are made, powers granted, performances verified and accountability ensured.

Good Governance at a local level requires strong vision, strategy, leadership, clear and timely decision-making processes and appropriate checks and balances. The structures, systems and policies to support them efficiently and effectively must also be in place. It also requires the right cultures and behaviours, good communications, capable Councillors and staff, clear accountabilities and effective risk management monitoring and review.

Good governance in local government, as in other comparable business and government organisations, is underpinned by visionary leadership and teamwork, by lived values and ethics, by respect at Councillor and organisation levels and between each. It is also underpinned by shared commitment to plan, work, advocate for and achieve the best possible outcomes for the whole Shire and community. Good governance is a shared responsibility of the Mayor, Councillors, the Chief Executive Officer and the senior management team.

This report recommends the adoption of a '*South Gippsland Shire Council Good Governance Framework*' (SGSC Framework) in **Attachment [5.1.1]**. The SGSC Framework is based on the model developed by the Commission of Inquiry into the Geelong City Council.

South Gippsland Shire Good Governance Framework

The overarching framework provides;

- Council and the Organisation direction to improve governance practices and processes
- A strong framework to support elected members following Council elections in October 2021
- A platform to respond to and implement the recommendations of the Commission of Inquiry into South Gippsland Shire Council
- Improved transparency and accountability measures.
- A tool for public reporting on governance related matters

The SGSC Framework is contained in **Table 1** (for larger copy refer **Attachment [5.1.1]**)

Table 1 – South Gippsland Shire Council - Good Governance Framework



The SGSC Framework contains 4 components:

1. Good Governance Outcomes to be achieved;
2. 8 Pillars of Good Governance that are the drivers to achieve the Outcomes;
3. Principles and Behaviours that demonstrate good governance in practice; and
4. Key Performance Indicators that assist in monitoring performance trends.

The 5 outcomes are:

1. Sustainable Outcomes Achieved;
2. Shire Health, Wellbeing and Economy Strengthened;
3. Efficient (Quality) Community Services Provided;
4. Council Directions and Priorities Achieved; and
5. Informed Decisions Made.

The 8 pillars of good governance driving the achievement of outcomes are:

1. Direction and Leadership;
2. Decision Making;
3. Structure, Systems and Policies;
4. Culture and Behaviour;
5. Communications and Community Engagement;
6. Capability;
7. Risk and Compliance;
8. Monitoring and Performance Review.

Ten initiatives under development include;

1. Processes to undertake a 'whole of Shire' Community Vision;
2. Drafting the 2020/21-2023/24 Council Plan and 2020/21 Annual Initiatives;
3. Investigating a Community Leadership Program to develop the skills and capabilities of existing and emerging leaders across the Shire;
4. Review and enhance communications on Council activities;
5. Review of Council Ordinary Meeting cycles and Briefing schedules;
6. Review of Policy C51 – Councillor Support and Expenditure Policy
7. Review of Policy C65 – Public Participation in Meetings with Council Policy
8. A new Managing Unreasonable Conduct policy;
9. Audit of the Capital Works program; and

10. Preparing the 2020/21 Annual Budget and long term financial plan, including a review of the long term Capital Works Program

Other projects identified, but not yet commenced include:

1. Review of Policy C06 – Community Engagement Policy;
2. Review of Local Law No.3 2010 – Meeting Procedure; and
3. Review of Policy C14 – Councillor Code of Conduct.

CONSULTATION

The Good Governance framework was developed by the Commission of Inquiry into the Geelong City Council.

It is recommended that Council receive six monthly progress reports to inform the Community of actions taken to implement the SGSC Framework.

RESOURCES

The SGSC Framework was developed within existing resources.

Implementation of the SGSC Framework will require additional resources, for example, development of a Community Leadership Program. These costs should be considered during preparation of the 2020/21 Annual Budget.

RISKS

The dismissal of the South Gippsland Shire Council is evidence of the effects of poor governance practices. It has a detrimental impact on reputation. Poor governance leads to poor decision making, exposing organisations to additional administrative, legal and financial costs.

Embedding the SGSC Framework into Council and the Organisation will ensure that future elected members will be inducted into and supported by a strong governance culture.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. South Gippsland Shire Council Good Governance Framework [5.1.1 - 1 page]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Report of the Commission of Inquiry into South Gippsland Shire Council 2019

Municipal Monitor Report for South Gippsland Shire Council June 2019

Councillor Code of Conduct Policy (C14)

Local Law No.3 2010 – Processes of Municipal Government (Meeting Procedures and Common Seal)

Policy Framework Policy (C72)

Commission of Inquiry into Greater Geelong City Council 2016

Legislative Provisions

Local Government Act 1989

Local Government (South Gippsland Shire Council) Act 2019

Local Government Bill 2019

5.2. GOOD GOVERNANCE FRAMEWORK - POLICY REVIEW: PUBLIC PARTICIPATION IN MEETINGS WITH COUNCIL POLICY (C65)

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

The South Gippsland Shire Council was dismissed on 19 June 2019 by the Victorian Government and a panel of 3 Administrators was appointed on 24 July 2019.

The *'Report of the Commission of Inquiry into South Gippsland Shire Council 2019'* made a number of recommendations for implementation during the term of Administrators. Included in the recommendations was:

"During the period of administration, the Council:

- i. Reviews and implements improved Council policies and procedures, with a focus on Councillor Induction and training, Councillor Code of Conduct; and Meeting Procedures."*

To commence action against this recommendation a review of the Public Participation in Meetings with Council Policy (C65) has been completed.

The policy review aimed to achieve the following outcomes:

- Improve the quality of engagement;
- Contribute to good decision making;
- Improve governance practices; and
- Improve the effective and efficient use of Council resources.

The *Policy C65 Public Participation in Meetings with Council Policy* has been revised and updated for Council's consideration (refer **Attachment [5.2.1]**).

The revised C65 Public Participation in Meetings with Council Policy is recommended for adoption.

RECOMMENDATION

That Council:

- 1. Rescind all previous Council resolutions related to the Public Participation in Meetings with Council Policy;**
- 2. Adopts the 'Public Participation in Meetings with Council Policy (C65) – December 2019' (Attachment [5.2.1]); and**
- 3. Places a copy of the updated policy on Council's website.**

REPORT

Background

In May 2019, a Commission of Inquiry into South Gippsland Shire Council was appointed under section 209 of the Local Government Act 1989. The Commission was established to conduct an inquiry into the affairs of the Council including the final report of the Municipal Monitor.

The South Gippsland Shire Council was dismissed on 19 June 2019 by the Victorian Government and following the appointment of an interim Administrator, a panel of 3 Administrators was appointed on 24 July 2019.

The *'Report of the Commission of Inquiry into South Gippsland Shire Council 2019'* made a number of recommendations for implementation during the term of Administrators. Included in the recommendations was:

"During the period of administration, the Council:

Reviews and implements improved Council policies and procedures, with a focus on Councillor Induction and training, Councillor Code of Conduct; and Meeting Procedures."

Councillor Code of Conduct and Processes of Municipal Government Local Law

The *Local Government Bill – 2019* (Bill) proposes a number of changes which affect the review of the Councillor Code of Conduct and General Local Law No. 3 – Processes of Municipal Government (Meeting Procedures and Common Seal).

The proposed changes to the Bill include the development of a Victorian Councillor Code of Conduct and 'Governance Rules' to replace the local law.

Council Review of Policies Relating to Meeting Procedures

A review of the Public Participation in Meetings with Council Policy (C65), has been completed. Opportunities for the community to engage in Council Meetings remain in the form of public presentations, public question time and petitions. The revised policy gives discretion to the Chief Executive Officer (CEO), in consultation with the Mayor, to determine the most appropriate avenue for hearing community representations.

The policy has been revised to better reflect good governance practices, the review benchmarked the practices of 27 other Local Governments. Not all Councils have dedicated public presentation sessions, almost all have opportunities to submit public questions that can then be appropriately responded to by Council.

The revised policy provides greater clarity of the purpose of question time at Council Meetings. It requires questions be submitted prior to 9am on the Monday morning proceeding the Council Meeting. This will ensure that questions can be assessed and answers provided at the Council Meeting.

The policy review has sought to achieve the following outcomes:

- Improve the quality of engagement;
- Contribute to good decision making;
- Improve governance practices;
- Improve the effective and efficient use of Council resources; and
- Provide a timely responses to matters raised by residents and ratepayers.

The *Policy C65 Public Participation in Meetings with Council Policy* has been revised and updated to *Policy C65 Public Participation in Meetings with Council – 18 December 2019* (refer **Attachment [5.2.1]**).

CONSULTATION

The policy review considered benchmarking against 27 other Victorian Councils. Most of these did not have dedicated public presentation sessions, all had public questions. The number of questions was generally limited to 2 or 3 and these are to be submitted prior to the Council meeting.

In the 2018/19 financial year a total of 54 questions were submitted for Public Question Time by 29 community members. There were 29 Public Presentations presented by 38 speakers.

RESOURCES

The proposed policy changes are intended to improve the effective and efficient use of Council resources.

RISKS

Failure to provide clear direction to the public on the most appropriate avenues to make representations can lead to unrealistic expectations or frustration.

Providing clear advice on the best and most readily available avenues to make representations to Council ensures the most efficient and effective use of Council resources.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. C65 Public Participation in Meetings with Council Policy - Draft December 2019 [5.2.1 - 6 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Report of the Commission of Inquiry into South Gippsland Shire Council 2019

Human Rights Policy (C52)

Local Law No.3 2010 – Processes of Municipal Government (Meeting Procedures and Common Seal)

Legislative Provisions

Local Government Act 1989

Occupational Health and Safety (OH&S) Act 2004

5.3. ADMINISTRATORS' COMMUNITY UPDATE - JULY 2019 - DECEMBER 2019

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

In May 2019, a Commission of Inquiry into South Gippsland Shire Council was appointed under section 209 of the Local Government Act 1989. The Commission was established to conduct an inquiry into the affairs of the Council including the final report of the Municipal Monitor.

On 19 June 2019 the Victorian Government announced the dismissal of the South Gippsland Shire Council. Following the appointment of an interim Administrator the Victorian Government appointed a panel of 3 Administrators on 24 July 2019 to perform the functions of the South Gippsland Shire Council. The Administrators have been appointed to restore good governance practices and implement the recommendations of the Commission of Inquiry.

The Report of the Commission of Inquiry into South Gippsland Shire Council included three recommendations. The first two recommendations were enacted by the State Government. The third recommendation requires Council:

- a. *Develop and deliver an extensive community leadership development program that:*
 - i. *Encourages widespread participation in community and civic life in the municipality;*
 - ii. *Supports the development of community leadership skills; and*
 - iii. *Supports an improvement in the relationship between the Council and its community.*
- b. *Review and implement improved Council policies and processes, with a focus on Councillor Code of Conduct and meeting procedures."*

The Minister for Local Government, the Hon Adem Somyurek MP wrote to the Administrator Chair on 11 September 2019 requiring Council:

"Develop a plan to implement these recommendations and regularly report to your community on these Council programs and that reports be tabled in the Council meeting minutes so that they are publicly available."

This report forms the first 'Administrators' Community Update' on progress made towards restoring good governance practices and implementing the recommendations of the *Commission of Inquiry into South Gippsland Shire Council Report 2019*.

A copy of the 'Administrators' Community Update' is provided at (**Attachment [5.3.1]**)

RECOMMENDATION

That Council:

1. **Adopts the 'Administrators' Community Update – December 2019', (Attachment [5.3.1]);**
2. **Publishes a copy of the 'Administrators' Community Update' in the 18 December 2019 Ordinary Council Meeting Minutes;**
3. **Provides a copy of the 'Administrators' Community Update – December 2019', to the Minister for Local Government, Hon Adem Somyurek MP; and**
4. **Receives the next 'Administrators' Community Update' at the 24 June 2020 Ordinary Council Meeting.**

REPORT

Background

In May 2019, a Commission of Inquiry into South Gippsland Shire Council was appointed under section 209 of the *Local Government Act 1989*. The *Commission of Inquiry* was established to conduct an inquiry into the affairs of the Council including the final report of the Municipal Monitor, the conduct of individual councillors, processes and decisions in the lead up to the conclusion of the current Chief Executive Officer contract, including the appointment of an Acting Chief Executive Officer and the efficiency and effectiveness of the Council's governance arrangements in delivering services to the community.

On 19 June 2019 the Victorian Government announced the dismissal of the South Gippsland Shire Council. This decision followed the final reports of the Municipal Monitor and the Commission of Inquiry into South Gippsland Shire Council which were tabled in Parliament along with the Bill to dismiss the Council.

Following the appointment of an interim Administrator, the Victorian Government appointed a panel of three Administrators on 24 July 2019 to perform the functions of the South Gippsland Shire Council. The Administrators have been appointed to restore good governance practices and implement the recommendations of the Commission of Inquiry. In making the appointment the Minister for Local Government, The Hon. Adem Somyurek MP remarked "*the appointment of the Administrators is about returning good governance to the people of South Gippsland.*"

The *Report of the Commission of Inquiry into South Gippsland Shire Council – 2019* included three recommendations. The first two recommendations were enacted by the State Government. The third recommendation is a Council responsibility:

"That Council:

- a. *Develop and deliver an extensive community leadership development program that:*
 - i. *Encourages widespread participation in community and civic life in the municipality;*
 - ii. *Supports the development of community leadership skills; and*
 - iii. *Supports an improvement in the relationship between the Council and its community.*
- b. *Review and implement improved Council policies and processes, with a focus on Councillor Code of Conduct and meeting procedures."*

Appointment of Administrators

The Victorian Government appointed a panel of 3 Administrators on 24 July 2019.

- Administrator Chair, Julie Eisenbise
- Administrator Christian Zahra AM
- Administrator Rick Brown

Since being appointed, the Administrators have been briefed on Council's broad service delivery and infrastructure responsibilities. Some of the priorities for the panel of Administrators in the first 5 months have included;

- Getting to know the community;
- Advancing Priority Projects; and
- Implementing a governance framework that responds to the recommendations of the Commission of Inquiry

Getting to Know the Community

Administrators have participated in over 80 community engagements involving more than 700 people to hear the views of the South Gippsland Community, including;

1. Community forums at Mirboo North, Toora, Port Welshpool, Korumburra and Dumbalk.
2. Meetings with Leongatha and Korumburra Business Associations; Foster Chamber of Commerce; Sandy Point Community Group; Korumburra and Coal Creek Probus Clubs; Rotary Club of Leongatha;

3. South Gippsland businesses and government agencies; Burra Foods; Poowong Abattoir; Burra Steel; ACA Apprentice; Parks Victoria; Regional Development Victoria and local Members of Parliament.
4. Hosted 2 Citizenship ceremonies and 2 Community Grants award nights

Advancing Priority Projects

The following priority projects were adopted at the September Council Meeting;

Priority Projects for Advocacy:

1. Great Southern Rail Trail (GSRT) Extension – Leongatha to Korumburra
2. Great Southern Rail Trail (GSRT) Extension – Korumburra to Nyora
3. Korumburra Community Hub

An 18yr lease was secured from Vic Track to extend the GSRT in August. A public tender for the removal of rail assets recently closed. Further project scoping and costing has been undertaken and Victorian Government grant funding applications have been prepared seeking \$1.3M in grant funding support. The Korumburra Community Hub site was adopted in September and concept plans were completed in December. An application for \$750,000 was made to the Victorian Government 'Living Libraries Victoria' grant funding program. An application was made to Local Government Victoria's Community Infrastructure Loan Scheme for \$5M in November.

Priority Projects for Development:

1. Korumburra Streetscape
2. Leongatha Community Hub

The Korumburra Hub Streetscape design is being updated to include Little Commercial Street in the area of the adopted Korumburra Hub site. Federal and Victorian Government grant funding applications will be prepared in 2020 when the funding programs are announced. An application was made to Local Government Victoria's Community Infrastructure Loan Scheme for \$5M in November. Options for the Leongatha Community Hub are being scoped.

Governance Framework

There is another report on the December 2019 Ordinary Meeting Agenda which recommends adopting the '*South Gippsland Shire Council Good Governance Framework*' (SGSC Framework). It is based on the same framework developed by the Commission of Inquiry into the Geelong City Council and used by the Municipal Monitor to assess the performance of the South Gippsland Shire Council.

The SGSC Framework addresses 8 pillars of good governance; Direction and Leadership; Decision Making; Structure, Systems and Policies; Culture and Behaviour; Communications and Community Engagement; Capability, Risk & Compliance; Monitoring and Performance Review.

Council is awaiting the outcome of the *Local Government Bill – 2019* (Bill) to Parliament in determining the timeline and requirements for the review of the Councillor Code of Conduct and the meeting procedure local law. Proposed changes to the Bill include a State-wide Councillor Code of Conduct and 'Governance Rules' will replace the meeting procedure local law.

Other Actions undertaken by Administrators

- Adopted the 2019/20 Annual Budget
- Reviewed and Audited the Capital Works Program
- Adopted the Victorian Government 'The Better Approvals Program' initiative to streamline approval processes for new business applications
- Endorsed the Youth Strategy 2019-2023 to assist young people to have a voice in matters that concern them;
- Awarded contracts for the Mirboo North Pool extension including a new heat pump that provides opportunity to extend the pool season;
- Commence scoping of a Community Leadership Development Program that will commence in 2020 to increase skills and capabilities of local community members; and
- Commenced the development of the 2020 - 2024 Council Plan.

A more detailed list of actions underway is provided in the '*Administrators Community Update – December 2019*', (refer **Attachment [5.3.1]**).

CONSULTATION

The Administrators' Community Update provides details of community consultation and engagement activities.

RESOURCES

This update has been compiled using existing resources.

Implementation of the Commission of Inquiry recommendations will require additional resources, for example, development of a Community Leadership Program. These costs should be allocated in the 2020/21 Annual Budget.

RISKS

The recommendations and actions taken are aimed at strengthening good governance practices and policies in readiness to prepare the return of an elected Council in October 2021.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. Administrators Community Update – December 2019 [5.3.1 - 22 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Audit Committee Charter and Terms of Reference

Community Engagement Policy (C06)

Community Strengthening Strategy

Councillor Code of Conduct Policy (C14)

Councillor Support and Expenditure Policy (C51)

Election Period Policy (C30)

Fraud and Corrupt Conduct Policy (C19)

Local Law No. 3 2010, Processes of Municipal Government (Meeting Procedures and Common Seal)

Risk Management Framework (C35)

Risk Management Policy (C35)

Legislative Provisions

Local Government Act 1989

Report of the Commission of Inquiry into South Gippsland Shire Council Report 2019

Local Government Act (South Gippsland Shire Council) Act 2019

Local Government Act 1989

Local Government Bill 2019

Greater Geelong City Council Commission of Inquiry – Framework for Good Governance – 2016

5.4. ORDINARY COUNCIL MEETING TIMETABLE 2020

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Under the *Local Government Act 1989 (the Act)*, section 83(a) Council may hold Ordinary Meetings of Council at which the general business of Council may be transacted. From time to time Council may call a Special Meeting under s.83 (b) and s.84 of the Act to make decisions that are required outside of the usual monthly Meeting schedule.

The Local Law No.3 2010 – Meeting Procedures and Common Seal (the Local Law) sets out in clause 8(a) that the ‘date, time and place of all Council meetings are to be fixed by the Council from time to time’. This report sets the annual dates and times for Council’s Ordinary Meetings for the 2020 calendar year to comply with clause 8(a).

RECOMMENDATION

That Council:

- 1. Sets the Ordinary Council Meetings in 2020 to be held in the Council Chambers, Leongatha on the following dates and times:**
 - a. Wednesday 26 February 2020, 2.00pm (Meeting No.442)**
 - b. Wednesday 25 March 2020, 2.00pm (Meeting No.443)**
 - c. Wednesday 22 April 2020, 2.00pm (Meeting No.444)**
 - d. Wednesday 27 May 2020, 2.00pm (Meeting No.445)**
 - e. Wednesday 24 June 2020, 2.00pm (Meeting No.446)**
 - f. Wednesday 22 July 2020, 2.00pm (Meeting No.447)**
 - g. Wednesday 26 August 2020, 2.00pm (Meeting No.448)**
 - h. Wednesday 23 September 2020, 2.00pm (Meeting No.449)**
 - i. Wednesday 28 October 2020, 2.00pm (Meeting No.450)**
 - j. Wednesday 25 November 2020, 2.00pm (Meeting No.451)**
 - k. Wednesday 16 December 2020, 2.00pm (Meeting No.452)**
- 2. Authorises the Chief Executive Officer to change a meeting location should that be warranted, due to the nature of business and availability of the Council Chambers; and**

- 3. Provides reasonable notice to the public via local newspapers and Council's website should a change in Meeting time or location be warranted.**
- 4. Note that Special Meetings are called from time to time covering exceptional circumstances requiring decisions of Council outside of the Ordinary Meeting Timetable. As far as practicable reasonable notice to the public via local newspapers and Council's website will be provided in these instances.**

REPORT

Ordinary Council Meeting Dates and Venues

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. Council publishes notice of Council Meetings (both Ordinary and Special) in Council's Noticeboard section of local newspapers and on its website.

It is proposed to hold the first Ordinary Meeting of Council for 2020 on Wednesday 26 February 2020 and from then on, the fourth Wednesday of each month for the remainder of the calendar year. An exception to this is the December 2020 Meeting, which is scheduled for the third Wednesday, 16 December 2020. Bringing the Meeting a week earlier will avoid clashes with the holiday season and public holidays.

Ordinary Council Meetings are to commence at 2.00pm and be held in the Council Chambers, Leongatha. The CEO may change a meeting location should that be warranted, due to the nature of business and availability of the Council Chambers, Leongatha. This may include changing the Meeting to a different town if the Agenda warrants it. Any changes arising are guided by the Local Law clause 9 – Council may alter meeting dates; reasonable notice will be advised to the public.

CONSULTATION

Consultation with Council's event coordination functions to ensure optimum conduct of Council Business.

Administrators are briefed each week on Council's monthly meeting schedule in the Executive Updates Briefings and via 'InfoSum', the Councillor newsletter.

RISKS

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

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Councillor Code of Conduct (C14)

Live Streaming of Council Meetings Policy (C67)

Local Law No. 3 2010, Processes of Municipal Government (Meeting Procedures and Common Seal)

Public Participation in Meetings with Council Policy (C65)

Legislative Provisions

Local Government Act 1989

Local Government Act 2019 (South Gippsland Shire Council)

5.5. RATE CAPPING EFFICIENCY - PRELIMINARY REPORT

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

An annual initiative of the Council Plan 2017-2021 is to 'identify efficiency measures that Council has achieved since the introduction of the Victorian Rate Capping System and present a report to Council by 30 December 2019.'

Since rate capping was first introduced in 2016/17, South Gippsland Shire Council has adapted its budget and Long Term Financial Plan (LTFP) to accommodate efficiencies necessary to meet rate capping requirements.

When Council adopted its budget in 2015/16, the LTFP was predicated on rate rises of between 3.00% and 4.00% for each year thereafter. The LTFP forecast a combined annual rate increase of 12% from 2016/17 to 2019/20. Following the introduction of rate capping, South Gippsland's combined actual rate increase over the same period was 9%. This is 3% below the 2015/16 forecast and removed \$2.6M from projected rate revenue over that same period.

In 2017/18 South Gippsland Shire Council increased the rates by 2%, this was 0.25% below the rate cap set by the Victorian Government. Since rate capping has been introduced South Gippsland Shire Council is one of the few Councils not to increase rates at or above the Victorian Government imposed rate cap.

The recommendations of service reviews of Visitor Information Services and Home and Community Care have been implemented. Council has also undertaken a program of process analysis and mapping to identify operational process efficiencies. This program remains ongoing with a number of improvements already implemented.

This report recommends that the consideration of the report 'identify efficiency measures that Council has achieved since the introduction of the Victorian Rate Capping System' be deferred until the June 2020 Ordinary Council Meeting to ensure the final report includes consideration of the:

1. *Council Plan initiative 'Develop a Sustainable Service Delivery Strategy.' This report will be presented to the Ordinary Council Meeting in June 2020.*
2. *Gippsland Shared Services business case which is due for completion in March 2020;*
3. *Draft 2020/21 Annual Budget*
4. *Full 2019/20 financial year*

RECOMMENDATION

That Council:

- 1. Defers receipt of the report 'identify efficiency measures that Council has achieved since the introduction of the Victorian Rate Capping System' to ensure the final report includes consideration of the:**
 - a. Council Plan initiative 'Develop a Sustainable Service Delivery Strategy.' This report will be presented to the Ordinary Council Meeting in June 2020.**
 - b. Gippsland Shared Services business case which is due for completion in March 2020.**
 - c. Draft 2020/21 Annual Budget.**
 - d. 2019/20 financial year.**
- 2. Receives a report at the 24 June 2020 Ordinary Meeting of Council to complete the annual Council Plan initiative within the 2019/20 financial year.**

REPORT

Prior to the introduction of rate capping councils were unconstrained in the setting of rate increases. This is demonstrated through Council's Long Term Financial Plan (LTFP) that was adopted for the 2015/16 financial year.

Since rate capping was first introduced in 2016/17, South Gippsland Shire Council has adapted its budget and LTFP to accommodate efficiencies necessary to meet rate capping requirements.

When Council adopted its budget in 2015/16, the LTFP was predicated on rate rises of between 3.00% and 4.00% for each year thereafter. The LTFP forecasted a combined annual rate increase of 12% from 2016/17 to 2019/20. Following the introduction of rate capping, the actual combined rate increase over the same period was 9%. This is 3% below the 2015/16 forecast and removed \$2.6M from projected rate revenue over that same period.

The recommendations of service reviews of Visitor Information Services and Home and Community Care have been implemented. Council has also undertaken a program of process analysis and mapping to identify operational process efficiencies. This program remains ongoing with a number of improvements already implemented.

This report recommends that the consideration of the report 'identify efficiency measures that Council has achieved since the introduction of the Victorian Rate Capping System' be deferred until the June 2020 Ordinary Council Meeting to ensure the final report includes the:

1. Council Plan initiative 'Develop a Sustainable Service Delivery Strategy.'
This report will be presented to Ordinary Council Meeting in June 2020.
2. Gippsland Shared Services business case which is due for completion in March 2020;
3. Draft 2020/21 Annual Budget
4. Full 2019/20 financial year

RESOURCES

Comparison of projected and actual rate rises from the 2015/16 adopted Annual Budget (rate capping was introduced in 2016/17).

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
LTFP 15/16	4.90%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%
LTFP 19/20					2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Efficiency					0.50%	0.50%	0.50%	0.50%	1.50%	1.50%
Rate Cap		2.50%	2.25%	2.00%	2.50%					
SGSC Rate		2.50%	2.00%	2.00%	2.50%					

RISKS

Not adhering to the financial strategies when preparing the annual budget and LTFP could see the financially sustainable position that Council has built over a long period of time erode very quickly.

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget 2019/20

Annual Budget Incorporating 15 Year Long Term Financial Plan and Annual Plan Initiatives

6. OTHER COUNCIL REPORTS

6.1. NIL

7. NOTICES OF MOTION AND/OR RESCISSION

7.1. NIL

8. PROCEDURAL REPORTS

8.1. FINANCIAL PERFORMANCE REPORT JULY TO NOVEMBER 2019

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

This Financial Performance report provides an overview of Council's financial performance for the period July 2019 to November 2019, in summary:

- Operating result: \$2.34M surplus which is \$3.28M favourable when compared with the year-to-date budget projection of a \$0.94M deficit.
- Capital works: \$4.22M expenditure which is \$1.31M behind a year-to-date budget of \$5.53M.
- Cash assets: Projected 30 June \$19.18M, against the Original budget of \$18.06M.
- Underlying working capital ratio: Projected 30 June 2020 2.29 to 1 against the Original budget of budget 1.83 to 1. This has improved due to Council paying out a loan during the year which was funded from reserves.
- The projected financial outcome for 2019/20 is a \$4.91M surplus. This is \$0.27M unfavourable compared to the originally budgeted surplus of \$5.17M.

Section 138 of the Local Government Act 1989 (Quarterly statements) states that;

- (1) *At least every 3 months, the Chief Executive Officer must ensure that a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date is presented to the Council at a Council meeting which is open to the public.*

RECOMMENDATION

That Council receives and notes the Financial Performance Report July 2019 to November 2019 (Attachment [8.1.1]).

REPORT

Council each year sets an Annual Budget within the framework of a 15 year Long Term Financial Plan. Guidance is provided by the Long Term Financial Strategies when developing annual and longer term budgets. The financial integrity of the budgeted financial statements in the annual and forward budgets can be assessed by reference to financial performance indicators.

Throughout the course of the financial year the actual financial performance is managed by:

- Comparing year-to-date actual financial performance with the year-to-date budgets.
- Monitoring the financial impact of changes made to budget projections on the forecast financial results at year end; and
- Monitoring the longer term financial ramifications against the originally adopted Long Term Financial Plan.

The financial performance indicators that were used to develop the annual and long term budgets are used to monitor projected financial outcomes at year-end as well as the longer term financial ramifications.

The Financial Performance Reports are intentionally prepared outside traditional quarterly cycles. The timelines better align with strategic events that occur throughout the financial year. This enables important financial updates to be provided to Council and the community in a timely manner.

The reporting timelines include:

- August: Report identifies financial implications of previous year's financial results as well the budget impact of funding projects carried forward that were not completed by 30 June.
- November: Report identifies financial implications of any changes made to operational or capital budgets prior to the commencement of the development of the annual budget for the following financial year.
- February: Report aligns with annual budget process.
- May: Report provides Council with an anticipated financial outcome for year-end including identifying budgets being carried forward for projects that are not expected to be completed by 30 June.

At the end of the financial year, comprehensive financial statements and performance statements are produced, subject to external audit and included in the Annual Report.

Discussion

Financial Performance Report July to November 2019 contains detailed reporting on **(Attachment [8.1.1])**:

Executive Summary

This section provides a high level overview of Budget and Actual Operating performance and Capital Work expenditure.

Financial Statements as at 30 November 2019

This section lists the three major financial statements:

- Income Statement
- Balance Sheet
- Cash Flow Statement

Annual Year-to-Date Financial Analysis

This section analyses the implications of the year-to-date performance and the projected outcome for the financial year end.

Long Term Financial Plan analysis

This section benchmarks and strategically analyses the financial impact of the projected financial results for the year against the adopted Annual Budget, Long Term Financial Plan and the Long Term Financial Strategies key performance indicators.

RISKS

Transparency in reporting is a risk management control measure that allows the community and Council to view and assess the financial management of year to date results as well as the annual and longer term financial implications.

Council can assess both year-to-date performance, as well as understand the annual and longer term financial implications.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website: www.southgippsland.vic.gov.au

1. Financial Performance Report - July to November 2019 [8.1.1 - 16 pages]

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Annual Budget Incorporating 15 Year Long Term Financial Plan and Annual Plan Initiatives

Legislative Provisions

Local Government Act 1989

8.2. DOCUMENTS SEALED, AWARDED OR EXTENDED BY CEO - 21 OCTOBER TO 15 NOVEMBER 2019

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

This report documents the following actions undertaken by the Acting Chief Executive Officer (CEO) which occurred during the period from 21 October to 15 November 2019. Council's adopted Procurement Policy and Instrument of Delegation to the Chief Executive Officer (CEO) requires the CEO to report to Council any of the following actions undertaken to the next appropriate Meeting:

- Documents sealed;
- Contracts awarded after a public tender process within the CEO's delegation; and
- Contracts varied or extended by the CEO which exceeded the CEO's delegation.

RECOMMENDATION

That Council receives and notes this report.

REPORT

Documents Sealed

Under the *Local Government Act 1989* (the Act), each Council is a body corporate and a legal entity in its own right. Each Council must have a common seal 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 may include agreements, contracts, leases or any other contractual or legally binding document that binds Council to another party.

Local Law No. 3 2010, Part 9, clause 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.' Council's Instrument of Delegation to the CEO also delegates to the CEO the power to 'use the Common Seal of Council subject to that use being reported to Council'.

In accordance with the Local Law and Instrument of Delegation, the following are presented to Council as documents sealed during the period from 21 October to 15 November 2019:

1. Section 173 Agreement between South Gippsland Shire Council and the owner of 50 Masons Road Tarwin Lower in relation to the development of land with dwelling: Seal applied 23 October 2019.
2. Section 173 Agreement between South Gippsland Shire Council and the owner of 55-57 Bradley Avenue Venus Bay in relation to the development of land with dwelling: Seal applied 30 October 2019.
3. Section 173 Agreement between South Gippsland Shire Council and the owner of 925 Korumburra-Wonthaggi Road, Jumbunna in relation to a two lot subdivision (house lot excision): Seal applied 30 October 2019.
4. Section 173 Agreement between South Gippsland Shire Council and the owner of 31 Ross Street Port Welshpool in relation to the development of land with dwelling: Seal applied 8 November 2019.
5. Section 173 Agreement between South Gippsland Shire Council and the owner of Isabella Boulevard Korumburra and Shellcot Road, Korumburra in relation to a multi lot subdivision – stage 7: Seal applied 13 November 2019.
6. Deed of Novation – Panel Contract CON/221-C. Seal applied 6 November 2019
7. Instrument of Delegation to Council Staff: Seal applied 23 October 2019.
8. Settlement Deed between South Gippsland Shire Council and Stuart Clement Greaves relating to Koonwarra landfill site. Seal applied 29 October 2019.
9. CON/229 for the Collection, Transport & Disposal of Leachate from Koonwarra landfill. Seal applied 21 October 2019.
10. CON/234 for the Supply & Installation of Guardrails – Various Locations. Seal applied 25 October 2019.

Contracts Awarded, Varied or Extended

1. Contracts awarded after a public tender process within the CEO's delegation between 21 October to 15 November 2019:
 - a. CON/240 Landslips design engineering. This contract will provide the design work to deal with the landslips which occurred over winter and provide specifications for the works to repair or renew each site.
 - b. CON/238 Catering contract to provide food service to various Council functions.
11. Contracts awarded after a public tender process under the Statutory threshold by staff other than the CEO between 21 October to 15 November 2019:

Nil

12. Contract variations approved by the CEO between 21 October to 15 November 2019:
 - a. CON/186 Develop a master plan for the Korumburra Railway Station site and the design of the community hub. Additional funding and extension of time to accommodate change in location of the Community hub.
13. Contract extensions approved by the CEO between 21 October to 15 November 2019:
 - a. SGC12/06 Provision of Transfer Stations Management and Booked Hard Waste Collection Services. Exercising a further one-year term in accordance with contract extension options.

STAFF DISCLOSURE

Nil

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au

Local Law No. 3 2010, Processes of Municipal Government (Meeting Procedures and Common Seal)

Procurement Policy (C32)

Instrument of Delegation to the Chief Executive Officer, 22 February 2017

Legislative Provisions

Local Government Act 1989, ss.5 and 186

8.3. ASSEMBLY OF COUNCILLORS - 22 OCTOBER TO 21 NOVEMBER 2019

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

Council is committed to making relevant, timely and useful information available for members of the public with the aim of enhancing transparency. The matters listed in this report were presented or considered at either an Advisory Committee Meeting, Councillor Strategic Briefing Session or Public Presentation Session between 22 October and 21 November 2019.

The matters summarised in this report satisfy Council's requirements under the *Local Government Act 1989*, s.80A(2):

The Chief Executive Officer must ensure that the written record of an assembly of Councillors is, as soon as practicable—

- a. reported at an ordinary meeting of the Council; and*
- b. incorporated in the minutes of that Council meeting.*

RECOMMENDATION

That Council receives and notes this report.

REPORT

Meeting Title	Details
Tuesday 22 October 2019	
Maddocks Lawyers	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered a legal matter.</p>
Wednesday 23 October 2019	
Future Delivery of Community Transport	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered the Future Delivery of Community Transport.</p>
Ordinary Agenda Topic Discussion: 23 October 2019	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered and asked questions relating to Agenda items for the Ordinary Meeting of Council 23 October 2019.</p>
Executive Update	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Caravan Parks • Municipal Association Victoria Rating Strategy submission. • Recreational Vehicles in the Shire • Priority Projects

Meeting Title	Details
Tuesday 29 October 2019	
Burra Foods Site Visit	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were introduced to members of Burra Foods Executive.</p>
Briefing by Strzelecki Community Alliance	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were briefed by community members on matters relating to proposed Delburn Wind Farm.</p>
Wednesday 30 October 2019	
Good Governance Framework and supporting policies	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were briefed on several governance policies.</p>

Meeting Title	Details
Wednesday 6 November 2019	
South Gippsland Tourism Vision	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators discussed its strategic priorities identified in the Destination Gippsland's 'Towards 2030 Gippsland Destination Management Plan'.</p>
Executive Update	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Sandy Point Caravan Park Project update
Domestic Wastewater Management Plan – Implementation Update	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were briefed on implementation of the Council adopted Domestic Wastewater Management Plan.</p>
Planning Briefing	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered Planning Items including:</p> <ul style="list-style-type: none"> • Strategic Planning Project List • Planning Applications of Interest • Decisions for September 2019 • VCAT Decisions • Applications received September 2019

Meeting Title	Details
Wednesday 6 November 2019	
Prom Country Regional Tourism (PCRT)	<p>Administrators Attending: Julie Eisenbise, Rick Brown</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were provided an external briefing from the Prom Country Regional Tourism Committee.</p>
Agnes Falls Update	<p>Administrators Attending: Julie Eisenbise, Rick Brown</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were provided an external briefing from representatives of the Friends of Agnes Falls group.</p>
Wednesday 13 November 2019	
Draft Council Plan 2021- 2024 and Annual Initiatives	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered the development of the Council Plan 2021-2024.</p>
Lyric Theatre/ Mesley Hall Feasibility Discussion	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were provided an external briefing from representatives of Lyric Theatre/ Mesley Hall.</p>

Meeting Title	Details
Wednesday 13 November 2019	
Executive Update	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Victorian Government announcements on Victorian forestry changes • Drug Advisory Council correspondence
Grant Application and Funding	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators were briefed on available grant funding opportunities.</p>
Strategic Extractive Research Area (SERA) Planning Controls	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered an external briefing in relation to Strategic Extractive Research Area Planning Controls.</p>
Leongatha Community Hub/ Council Offices – Site Options & Whole of Life Cost Analysis	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered its Council Plan strategic objective (3.4) to investigate library and community Hub location options in Leongatha to assist in the revitalisation of the town centre.</p>
Ordinary Agenda Topic Discussion: 20 November 2019	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered and asked questions relating to Agenda items for the Ordinary Meeting of Council 20 November 2019.</p>

Meeting Title	Details
Tuesday 19 November 2019	
South Gippsland Action Group (SGAG)	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Coal Creek • Annual Budget • Council Plan • Council Vision • Council rates • General council governance matters
Wednesday 20 November 2019	
Executive Update	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered:</p> <ul style="list-style-type: none"> • Federal Grant Applications
Indigenous Reconciliation Action Plan	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered the development of a Reconciliation Action Plan, proposed for 2020.</p>

Meeting Title	Details
Wednesday 20 November 2019	
<p>Public Presentations – Agenda Topics for Ordinary Meeting 20 November 2019</p> <p>Open Session</p>	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p>
<p>Presentations were made to Council by the following community members:</p> <p>Don Hill regarding Agenda Items 4.1. COMMUNITY INFRASTRUCTURE LOAN SCHEME - RECOMMENDED APPLICATIONS - KORUMBURRA COMMUNITY HUB (\$5M) AND KORUMBURRA STREETSCAPE DEVELOPMENT (\$5M) and 4.2.AGNES FALLS CANTILEVERED LOOKOUT PROJECT.</p> <p>Matthew Sherry regarding Agenda Item 4.2. AGNES FALLS CANTILEVERED LOOKOUT PROJECT.</p> <p>Kathy Wheelan and Peter Lee regarding Agenda Item 4.2. AGNES FALLS CANTILEVERED LOOKOUT PROJECT.</p> <p>David Amor regarding Agenda Items 2.1. SOUTH GIPPSLAND SHIRE COUNCIL RESPONSE TO THE VICTORIAN LOCAL GOVERNMENT RATING SYSTEM REVIEW, 4.1. COMMUNITY INFRASTRUCTURE LOAN SCHEME - RECOMMENDED APPLICATIONS - KORUMBURRA COMMUNITY HUB (\$5M) AND KORUMBURRA STREETSCAPE DEVELOPMENT (\$5M), 5.1. LONG TERM FINANCIAL STRATEGIES and 8.1.ORGANISATIONAL PERFORMANCE REPORT - JULY 2019 TO SEPTEMBER 2019.</p>	
<p>Francis-Jones Morehem Thorpe Presentation – Concept Design Master Plan for the Korumburra Community Hub</p>	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered an external briefing from architect consultants in relation to concept design Master Plan for the Korumburra Community Hub.</p>
<p>Ordinary Agenda Topic Discussion: 20 November 2019</p>	<p>Administrators Attending: Julie Eisenbise, Rick Brown, Christian Zahra</p> <p>Conflict of Interest: Nil disclosed</p> <p>Matters Considered: The Administrators considered and asked questions relating to Agenda items for the Ordinary Meeting of Council 20 November 2019.</p>

REFERENCE DOCUMENTS

Council Policy

Documents are available on Council's website: www.southgippsland.vic.gov.au
Public Participation in Meetings with Council Policy (C65)

Legislative Provisions

Local Government Act 1989

Local Government (South Gippsland Shire Council) Act 2019

8.4. INSTRUMENT OF APPOINTMENT AND AUTHORISATION - PLANNING AND ENVIRONMENT ACT 1987

Corporate and Community Services Directorate

EXECUTIVE SUMMARY

This report recommends that Council adopts two Instrument of Appointment and Authorisation (Instrument) under the *Planning and Environment Act 1987* (the Act) to new employees who have been appointed to positions within the Planning Department.

RECOMMENDATION

That Council:

- 1. Resolves that, in the exercise of the powers conferred by s.224 of the *Local Government Act 1989* and the other legislation referred to in the attached Instrument of Appointment and Authorisation (Instruments of Appointment and Authorisation) Council to Staff under the Planning and Environment Act 1987 (Attachments [8.4.1, 8.4.2, 8.4.3]):**
 - a. The members of Council staff referred to in the Instruments of Appointment and Authorisation be appointed and authorised as set out in the instruments;**
 - b. The Instruments of Appointment and Authorisation come into force immediately when the common seal of Council is affixed to the instruments and remain in force until Council determines to vary it or it is revoked in accordance with Item 2 below; and**
 - c. The Instruments of Appointment and Authorisation be sealed.**

REPORT

The allocation of authorisations and appointments to Council employees contributes to the effective functioning of Council. It is important to ensure that formal Instruments are updated to reflect changes in personnel. The employees identified in the attached Instruments have recently been recruited to positions within the Planning Department. These appointments fill existing vacancies.

RISKS

Failure to adopt or revoke an Instrument of Appointment and Authorisation could result in a decision of the employee being invalidated or Council being held liable for the actions of former employees.

STAFF DISCLOSURE

Nil

ATTACHMENTS

Attachments are available on Council's website:

www.southgippsland.vic.gov.au

1. S11A - Instrument of Appointment Timothy Berger - 18 December 2019 [**8.4.1** - 1 page]
2. S11 A - Instrument Of Appointment Ashley Pollerd - 18 December 2019 [**8.4.2** - 1 page]
3. S11 A - Instrument Of Appointment - Nicole Grey - 18 December 2019 [**8.4.3** - 1 page]

REFERENCE DOCUMENTS

Legislative Provisions

Local Government Act 1989

Planning and Environment Act 1987

9. ADMINISTRATOR REPORTS

9.1. REQUESTS FOR LEAVE OF ABSENCE

9.2. ADMINISTRATORS UPDATES

9.3. COMMITTEE UPDATES

10. URGENT OR OTHER BUSINESS

11. PUBLIC QUESTIONS

11.1. PETITIONS AND JOINT LETTERS

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 an Administrator. A petition presented to the Council must lay on the table until the next Ordinary Meeting of 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 an Administrator at a Public Presentation session speak briefly to its contents. At the following Ordinary Meeting of Council, an Administrator would accept the petition and introduce it to Council for formal noting and actioning by Council.

The Administrator 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.

11.2. ANSWERS TO PREVIOUS QUESTIONS ON NOTICE

11.3. SUBMITTED PUBLIC QUESTIONS

All community member questions for Ordinary Council Meetings are to be written and submitted to the Council Business Team by close of business on the Friday preceding the meeting to allow time for a response to be prepared, where possible, for the Council Meeting.

Questions can also be submitted in hard copy format into the 'Public Question Box' within the first 15 minutes of an Ordinary Council Meeting.

Public Question Time in Ordinary Council Meetings is to be used for matters that are generally political in nature or that cannot be addressed by other means. This session should not be used for questions on routine works or operational matters, planning (application) matters or for repeating previously answered questions.

Source: Public Participation in Meetings with Council Policy (C65) – adopted 28 November 2018.

12. 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, 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. Closed ITEM 14.2 PERSONNEL MATTER pursuant to the Local Government Act 1989, section 89(2)(a) a personnel matter; and**
- 2. Closed ITEM 14.1 AND 14.2 PREJUDICIAL MATTERS pursuant to section 89(2)(h) a matter which the Council or Special Committee considers would prejudice the Council or any person.**

13. MEETING CLOSED

NEXT MEETING

The next Ordinary Meeting of Council open to the public will be held on Wednesday, 26 February 2020 commencing at 2pm in the Council Chambers, Leongatha.