

SOUTH GIPPSLAND SHIRE COUNCIL

# Council Minutes

Ordinary Meeting of Council  
26 July 2017

**Ordinary Meeting No. 414**  
**Council Chambers, Leongatha**  
**Commencing at 2pm**



# minutes



*South Gippsland  
Shire Council*

*Come for the beauty, Stay for the lifestyle*



## MISSION

***South Gippsland Shire will be a place where our quality of life and sense of community are balanced by sustainable and sensitive development, population and economic growth.***

### Privacy

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

Council undertakes audio recordings of Council Meetings as a contribution to good governance and accuracy of minutes. An audio recording of this meeting is being made for the purpose of verifying the accuracy of minutes of the meeting. In some circumstances the recording may be disclosed, such as where Council is compelled to do so by court order, warrant, and subpoena or by any other law such as the Freedom of Information Act 1982. It should be noted that other people present at the meeting may be recording the meeting and Council has limited power to regulate this. Council has developed a policy to regulate recordings, "Sound Recording of Council Meetings".

A copy of this policy is located on Council's website [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au).

**PRESENT**

COUNCILLORS:	<p>Cr Ray Argento, Mayor                  Cr Maxine Kiel, Deputy Mayor                  Cr Meg Edwards                  Cr Alyson Skinner                  Cr Andrew McEwen                  Cr Lorraine Brunt                  Cr Aaron Brown                  Cr Don Hill</p>
COUNCILLORS NOT PRESENT:	<p>Cr Jeremy Rich with leave of absence granted at Council Meeting                  28 June 2017.</p>
OFFICERS:	<p>Tim Tamlin, Chief Executive Officer                  Faith Page, Director Community and Corporate Services                  Bryan Sword, Director Development Services                  Anthony Seabrook, Director Sustainable Communities and Infrastructure                  Rick Rutjens, Executive Support and Community Information Manager                  June Ernst, Coordinator Corporate Planning and Council Business                  Natasha Berry, Corporate and Council Business Officer                  Jodi Cumming, Corporate and Council Business Officer</p>

## SOUTH GIPPSLAND SHIRE COUNCIL

Ordinary Meeting No. 414  
 Wednesday 26 July 2017  
 Council Chambers, Leongatha commencing at 2pm

### TABLE OF CONTENTS

<b>1. PRELIMINARY MATTERS .....</b>	<b>6</b>
1.1. LIVE-STREAMING COUNCIL MEETING DISCLAIMER.....	6
1.2. WELCOME.....	6
1.3. OPENING PRAYER .....	6
1.4. ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS .....	6
1.5. APOLOGIES.....	7
1.6. CONFIRMATION OF MINUTES.....	7
1.7. DECLARATION OF CONFLICTS OF INTEREST FOR COUNCILLORS.....	8
1.8. DECLARATION OF CONFLICTS OF INTEREST FOR STAFF.....	9
<b>2. OBJECTIVE 1 - STRENGTHEN ECONOMIC GROWTH AND PROSPERITY .....</b>	<b>10</b>
2.1. PROPOSED PRIORITY PROJECTS 2017/18.....	10
<b>3. OBJECTIVE 2 - BUILD STRONG PARTNERSHIPS, STRENGTHEN ARTS &amp; CULTURE AND DELIVER EQUITABLE OUTCOMES.....</b>	<b>15</b>
3.1. APPLICATION TO THE 2017 COUNTRY FOOTBALL NETBALL PROGRAM .....	15
<b>4. OBJECTIVE 3 - IMPROVE SOUTH GIPPSLAND'S BUILT ASSETS AND VALUE OUR NATURAL ENVIRONMENT .....</b>	<b>20</b>
4.1. WARATAH BAY CARAVAN PARK - PROPOSED LEASE.....	20
4.2. KORUMBURRA RAILWAY STATION BUILDING PROJECT - LEASE AND BUSINESS CASE .....	32
4.3. COMPULSORY LAND ACQUISITION - BENA KONGWAK ROAD, BENA BRIDGE OVER RAIL LINE .....	38
4.4. 2017 TREE MANAGEMENT PLAN ADOPTION.....	43
4.5. FORMALISE THE ROAD OPENING / NAMING AND ROAD ACCESS RESTRICTION IN LEONGATHA - MITCHELLS RISE ESTATE.....	47
4.6. AWARD CONTRACT - CON/134 MANAGEMENT AND OPERATION OF THE TOORA OUTDOOR SWIMMING POOL.....	59
<b>5. OBJECTIVE 4 - ENHANCE ORGANISATIONAL DEVELOPMENT AND IMPLEMENT GOVERNANCE BEST PRACTICE.....</b>	<b>62</b>
5.1. COUNCIL RESPONSE TO RESOLUTION 6.4.2 2017/18 STAFF COSTS...	62
5.2. AUDIT COMMITTEE REPORT - 5 JUNE 2017.....	76
<b>6. OTHER COUNCIL REPORTS.....</b>	<b>80</b>
<b>7. NOTICES OF MOTION AND/OR RESCISSION.....</b>	<b>80</b>

<b>8. PROCEDURAL REPORTS .....</b>	<b>81</b>
8.1. ASSEMBLY OF COUNCILLORS: 22 MAY 2017 TO 21 JUNE 2017 .....	81
8.2. DOCUMENTS SEALED, AWARDED OR EXTENDED BY CEO 26 JULY 2017 .....	92
<b>9. COUNCILLOR REPORTS .....</b>	<b>97</b>
9.1. REQUESTS FOR LEAVE OF ABSENCE .....	97
9.2. COUNCILLOR UPDATES .....	97
9.3. COMMITTEE UPDATES.....	98
<b>10. URGENT OR OTHER BUSINESS .....</b>	<b>99</b>
<b>11. PUBLIC QUESTIONS.....</b>	<b>100</b>
11.1. PETITIONS AND JOINT LETTERS.....	100
11.2. ANSWERS TO PREVIOUS QUESTIONS ON NOTICE .....	101
11.3. SUBMITTED PUBLIC QUESTIONS.....	102
<b>12. CLOSED SESSION .....</b>	<b>103</b>
<b>13. MEETING CLOSED.....</b>	<b>104</b>



**Tim Tamlin**  
**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 and present, their Spirits and Ancestors.

## **1.5. APOLOGIES**

**Councillor Jeremy Rich with leave of absence granted at the Ordinary Meeting of Council 28 June 2017.**

## **1.6. CONFIRMATION OF MINUTES**

### **RECOMMENDATION**

That the Minutes of the South Gippsland Shire Council Ordinary Meeting No. 413, held on 28 June 2017 in the Council Chambers, Leongatha be confirmed.

**MOVED:** Cr Skinner

**SECONDED:** Cr Kiel

**THAT THE MINUTES OF THE SOUTH GIPPSLAND SHIRE COUNCIL ORDINARY MEETING NO. 413, HELD ON 28 JUNE 2017 IN THE COUNCIL CHAMBERS, LEONGATHA BE CONFIRMED.**

**CARRIED UNANIMOUSLY**

## 1.7. DECLARATION OF CONFLICTS OF INTEREST FOR COUNCILLORS

Any interest that a Councillor or staff member has deemed to be significant and has disclosed as either a direct or an indirect interest is now considered to be a conflict of interest. Conflict of interest legislation is in sections 77A, 77B, 78, 78A-D and 79 of the Local Government Act 1989 (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](http://www.legislation.vic.gov.au).

An interest may be by close association, financial, conflicting duties or receipt of gifts. If a Councillor or staff member discloses any interest in an item discussed at any Council Meeting (whether they attend or not) they must:

- Complete a disclosure of interest form prior to the Meeting (forms are available from 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 Councillor or staff member will be advised to return to the Council Chamber or Meeting room immediately after the item has been considered and the vote is complete.

Councillors should check the Minutes of the Council Meeting to ensure their disclosure is recorded accurately. Councillors are not required to disclose conflict of interest in relation to matters only considered at Meetings they do not attend. Detailed information is available in *Conflict of Interest – A Guide for Councillors – October 2012*.

**Nil**

## 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*.

**Nil**

## **2. OBJECTIVE 1 - STRENGTHEN ECONOMIC GROWTH AND PROSPERITY**

### **2.1. PROPOSED PRIORITY PROJECTS 2017/18**

Corporate and Community Services Directorate

#### **EXECUTIVE SUMMARY**

Council performs an important role in identifying and advocating for government funding and/or commitments needed to deliver priority projects of local significance, with the objective of enhancing economic prosperity and liveability of the municipality.

Now that the Council Plan has been adopted this report articulates the new priority projects. Once adopted, officers will prepare a suite of advocacy materials to assist with lobbying and grant seeking opportunities.

#### **RECOMMENDATION**

That Council:

1. Adopts the following as its priority projects for 2017/18:
  - a. Leongatha Revitalisation Project
  - b. Great Southern Rail Trail Projects
  - c. Korumburra Revitalisation Project
  - d. Stony Creek Equestrian/Expo Centre
  - e. Mirboo North Pool Refurbishment
  - f. East/West South Gippsland Public Transport Study
2. Authorises the Chief Executive Officer to negotiate with VicTrack with a view to securing the rail corridor between Leongatha and Nyora for Council's future use.

**Cr Skinner moved the Motion with a change.**

**MOVED:** Cr Skinner

**SECONDED:** Cr Kiel

**THAT COUNCIL:**

- 1. ADOPTS THE FOLLOWING AS ITS PRIORITY PROJECTS FOR 2017/18:**
  - a. LEONGATHA REVITALISATION PROJECT**
  - b. GREAT SOUTHERN RAIL TRAIL PROJECTS**
  - c. KORUMBURRA REVITALISATION PROJECT**
  - d. MIRBOO NORTH POOL REFURBISHMENT**
  - e. EAST/WEST SOUTH GIPPSLAND PUBLIC TRANSPORT STUDY**
- 2. FURTHER CONSIDERS THE STONY CREEK EQUESTRIAN/EXPO CENTRE FOLLOWING THE COMPLETION OF THE BUSINESS CASE AS A PRIORITY PROJECT.**
- 3. AUTHORISES THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE WITH VICTRACK WITH A VIEW TO SECURING THE RAIL CORRIDOR BETWEEN LEONGATHA AND NYORA FOR COUNCIL'S FUTURE USE.**

**The Motion was CARRIED on the casting vote of the Mayor.**

**FOR:** Councillors Skinner, Brunt, Edwards and Kiel.

**AGAINST:** Councillors McEwen, Brown, Hill and Argento.

## **REPORT**

### **Priority Projects**

Leongatha Revitalisation Project (carried over from 2016):

- Leongatha Business Precinct Development (Bair Street): civil design is nearing completion. The process of sourcing external funding from the State Government has commenced.
- Anderson Street: underway
- Leongatha railway precinct redevelopment: community consultation underway

Great Southern Rail Trail (GSRT) Projects:

- South Gippsland to Wellington GSRT link
- Leongatha to Korumburra GSRT extension
- West of Korumburra GSRT extension

Korumburra Revitalisation Project

- The Korumburra Revitalisation Project will take into consideration the Town Centre Framework Plan, Streetscape Master Plan, future Community Hub/Library, railway land and railway station.

Stony Creek Equestrian/Expo Centre

Mirboo North Pool Refurbishment

East/West South Gippsland Public Transport Study

- Looking to improve connectivity between economic and visitor nodes in Gippsland.

Three of the six proposed priority projects – the Leongatha and Korumburra Revitalisation Projects and the Great Southern Rail Trail – are contingent upon Council securing the use of the railway corridor between Leongatha and Nyora. To that end, Council will need to have leased the corridor from VicTrack prior to receiving funding for these projects.

## **BACKGROUND**

In recent years Council has successfully obtained government funding and advocated for support for a number of key projects including:

- Korumburra Community Children's Centre
- Leongatha Heavy Vehicle Alternate Route
- Great Southern Rail Trail
- Port Welshpool Long Jetty
- Black Spur realignment
- Northern Towns Water Security Project
- Foster Streetscape.

Of the five priority projects adopted in 2016 only the Leongatha Revitalisation Project remains unfunded.

With the Long Jetty and GSRT funded, 2015's Corner Inlet Tourism Development is no longer considered a priority project. Dredging at the Toora boat ramp and the Agnes Falls lookout are both shovel-ready and have budgetary allocations that are dependent on grants to complete the projects. Council obtained grant funding to complete a Port Welshpool Marine Precinct Plan, part of which includes an updated marina design and safety assessment for the port. In due course a feasibility study for the Port Welshpool Marina project will be presented to Council for its consideration. The marina remains unfunded at this stage.

## **RESOURCES**

Council's anticipated financial contributions towards the proposed priority projects has been accounted for in the long-term financial plan. Where required Council will be seeking grant funding to support the realisation of the priority projects.

Any decision to increase or alter the amounts already committed will need to be accounted for elsewhere in the budget and would have a direct impact on the organisation's ability to deliver its agreed capital works program. Further, any variation to existing financial commitments would need to be formally accounted for and adopted through Council's statutory budget process.

## **RISKS**

In determining the highest order priority projects for advocacy during 2017/18, Council should be aware that the chances of success could be considerably reduced by endorsing an excessive number of projects. Councillors are also encouraged to consider the potential financial risk associated with varying its

existing contributions towards each of the recommended priority projects, or with adding additional projects.

#### **REFERENCE DOCUMENTS**

##### **Council Policy**

*Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

Council Plan 2017-21

Council Annual Budget 2017/18

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

#### **3.1. APPLICATION TO THE 2017 COUNTRY FOOTBALL NETBALL PROGRAM**

Corporate and Community Services Directorate

##### **EXECUTIVE SUMMARY**

It is proposed to submit an application to the Sport and Recreation Victoria (SRV) 2017/18 Country Football Netball Program on behalf of the Fish Creek Football Netball Club for the development of a new outdoor netball court.

The Country Football Netball Program provides funding to assist country football and netball clubs, associations and umpiring organisations to develop facilities in rural, regional and outer metropolitan locations.

The Fish Creek Football Netball Club – Netball Court Development project is the only project considered eligible and ‘shovel ready’ for the 2017/18 Country Football Netball Program.

##### **RECOMMENDATION**

That Council:

1. Applies for \$100,000 to the next round of the Sport and Recreation Victoria 2016 – 2020 Country Football Netball Program for the Fish Creek Football Netball Club – Netball Court Development project;
2. Allocates \$80,000 from the Community Infrastructure Projects budget towards the project if the application is approved by Sport and Recreation Victoria;
3. Advises the Fish Creek Football Netball Club Committee that any project overruns are the responsibility of the committee to fund, in accordance with Council's Community Infrastructure Project Management Policy and Guidelines; and
4. Provides staff resources, with funding allocated in the total project costs, for management of the project if approved by Sport and Recreation Victoria.

**MOVED:** Cr Edwards

**SECONDED:** Cr Kiel

**THAT COUNCIL:**

- 1. APPLIES FOR \$100,000 TO THE NEXT ROUND OF THE SPORT AND RECREATION VICTORIA 2016 – 2020 COUNTRY FOOTBALL NETBALL PROGRAM FOR THE FISH CREEK FOOTBALL NETBALL CLUB – NETBALL COURT DEVELOPMENT PROJECT;**
- 2. ALLOCATES \$80,000 FROM THE COMMUNITY INFRASTRUCTURE PROJECTS BUDGET TOWARDS THE PROJECT IF THE APPLICATION IS APPROVED BY SPORT AND RECREATION VICTORIA;**
- 3. ADVISES THE FISH CREEK FOOTBALL NETBALL CLUB COMMITTEE THAT ANY PROJECT OVERRUNS ARE THE RESPONSIBILITY OF THE COMMITTEE TO FUND, IN ACCORDANCE WITH COUNCIL'S COMMUNITY INFRASTRUCTURE PROJECT MANAGEMENT POLICY AND GUIDELINES; AND**
- 4. PROVIDES STAFF RESOURCES, WITH FUNDING ALLOCATED IN THE TOTAL PROJECT COSTS, FOR MANAGEMENT OF THE PROJECT IF APPROVED BY SPORT AND RECREATION VICTORIA.**

**CARRIED UNANIMOUSLY**

## REPORT

On 16 May 2017, SRV 2017/18 Country Football Netball Program (CFNP) was opened by Minister John Eren.

The CFNP provides funding to assist country football and netball clubs for improvement or development of change room facilities for players and umpires of both genders; development or upgrading of football playing fields; development or upgrading of netball facilities; and development or upgrading of lighting facilities.

- Funding ratio is SRV \$2: Local \$1
- 2017/18 CFNP opened on Monday 15 May 2017
- 2017/18 CFNP Wednesday 26 July 2017

Applications to CFNP must be submitted by Council. Councils may be successful in receiving the total maximum funding of \$100,000 consisting of up to three applications per financial year.

The Fish Creek Football Netball Club is located at Terrill Park Recreation Reserve, which is a Council owned reserve managed by a Section 86 Committee. The reserve has two netball and four tennis courts. In February 2011, the courts were severely damaged by a flood event that impacted the region and were repaired in time for the impending football/netball season with funding from the State Government, Council and the community. The funding available from the State Government at that time would only allow for restoration of the courts and not for improvement works.

Unfortunately due to the pre-existing concrete base structure and poor drainage at the current site, the match netball court has since deteriorated and is now in a poor condition. This is evidenced by an audit undertaken by Netball Victoria in 2015 stating that the court has a 1 to 3 year lifespan.

The West Gippsland Catchment Management Authority (WGCMA) recently identified that the courts are now located in a flood zone. It is therefore recommended, to mitigate future issues, that a new netball court be developed in alternative location within the reserve **[Attachment 3.1.1]**.

### Project Scope

- Civil works
- Development of one new asphalt netball match court with all essential items

- Lighting
- Refurbishment of current shed to provide shelter for the coaches, players and scorers
- Modified fencing
- Fencing for behind football goal posts
- Removable bollards to control pedestrian and vehicle movement

Total Estimated Project Cost \$260,000

### **Budget Income**

- SRV CFNP Grant - \$100,000
- Recommended Club/Community contribution - \$80,000
- Recommended Council contribution - \$80,000

### **CONSULTATION**

Council staff have extensively liaised with representatives from SRV to ensure that the project is considered eligible and complies with Netball Victoria Facility Guidelines.

### **RESOURCES**

Funding for these types of projects is made available through Council's Community Infrastructure Projects budget to cover Council's contribution to the project. The Community Infrastructure Projects budget is an allocation of funds through the annual budget to leverage external grant programs for community projects.

All funds that were allocated in the 2017/18 Community Infrastructure Projects budget have been fully committed for the following projects that have been recently approved through other SRV funding programs:

- Nyora Recreation Reserve - Oval Development
- Arthur Sutherland Recreation Reserve - Stadium Floor Upgrade
- Leongatha Knights Soccer Club - Lighting and Oval Upgrade

Should Council support the application, a recommended contribution of \$80,000 (matching the club/community contribution of \$80,000) from Council would be required for the Fish Creek Football Netball Club – Netball Court Development project.

Although the 2017/18 Community Infrastructure Projects budget has been fully committed, Council does have capacity to accommodate the recommended \$80,000 towards the project without jeopardising the integrity of the long term financial plan.

As applications are to be submitted by Council, Council will be required to provide staff resources, funded within the total project cost.

### **RISKS**

If Council does not support the project it will miss an opportunity to obtain external funds to develop a new netball court for the Fish Creek Football Netball Club to address the limited lifespan of the current court.

To mitigate the risk of project cost overruns, it is recommended that the Fish Creek Football Netball Club be advised that any overruns are its responsibility to fund, in accordance with Council's Community Project Management Policy. This states that if funds are not available within the overall project budget, the applicant will be required to provide the additional funding.

### **ATTACHMENTS**

*Attachments are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

1. Fish Creek Netball Courts - Proposed Site Layout Plan **[3.1.1]**

### **REFERENCE DOCUMENTS**

#### **Legislative Provisions**

Local Government Act 1989

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

### **4.1. WARATAH BAY CARAVAN PARK - PROPOSED LEASE**

Sustainable Communities and Infrastructure Services Directorate

#### **EXECUTIVE SUMMARY**

The Waratah Bay Caravan Park (the Park) is located on Crown Land and Council is the land manager, appointed as Committee of Management by the Department of Environment, Land, Water, and Planning (DELWP).

The Park is currently leased to Harry Corporation Pty Ltd and the lease expires on 12 December 2017. The expiry provisions of the lease are poorly timed being the commencement of South Gippsland's peak visitor period. Council officers have been in discussions with DELWP and investigated various options to address current and future lease arrangements.

Following discussions with DELWP, it is recommended that Council enter into an overholding arrangement with Harry Corporation Pty Ltd until 30 June 2018 to address the current lease and commence negotiations of a new five year lease.

A petition was tabled at the June 2017 Council meeting urging Council to ensure that the Park remain under private management. It is further recommended that the lead petitioner be informed of Council's decision.

#### **RECOMMENDATION**

That Council:

1. Enter into an overholding arrangement of the current lease with Harry Corporation Pty Ltd for the Waratah Bay Caravan Park from 13 December 2017 to 30 June 2018.
2. Commence preparation of a new lease pursuant to ss.190 and 223 of the Local Government Act 1989, Crown Land (Reserves) Act 1978, and Retail Leases Act 2003 to Harry Corporation Pty Ltd for the Waratah Bay Caravan Park, being Part Crown Allotment 20C Parish of Waratah North, with an area of approximately 3.795Ha (the Land):
  - a. for the period (term) 1 July 2018 to 30 June 2023;
  - b. at a market rental to be not less than that determined by a Valuer;

- c. with special conditions relating to Harry Corporation Pty Ltd (the Tenant) transitioning the Park into compliance with the Best Practice Management Guidelines for Committees of Management: Managing Crown Land Caravan and Camping Parks (the Proposal).
3. Give public notice in accordance with s.223 of the Local Government Act 1989 of the Proposal (item 2 above) in Council's Noticeboard section of the local newspapers in the week commencing 31 July 2017 and invite written submissions from the community by 5.00pm Tuesday 29 August 2017.
4. Authorise the Chief Executive Officer to undertake the administrative procedures necessary to enable the Council to carry out its functions under s.223 of the Local Government Act 1989 in respect of the Proposal (item 2 above).
5. If submissions are received to the public notice (item 2 above):
  - a. Authorise the Chief Executive Officer to set the time, date, and place to hear, consider, and determine submissions.
  - b. Hear submitters who had elected to speak to their submission at a Special Committee of Council in closed session comprising of:
    - i. the Mayor who will chair the meeting;
    - ii. not less than two other Councillors; and
    - iii. the Director of Sustainable Communities and Infrastructure for administrative purposes.
  - c. Consider and determine submissions at Council's Ordinary Meeting to be held 25 October 2017 in open session.
6. If no submissions are received to the public notice, continue with the Proposal.
7. Write to the Department of Environment, Land, Water, and Planning (DELWP) confirming Council's decision in item 2 above and request DELWP to:
  - a. Commence the procedure for Parliamentary Scrutiny and Ministerial Approval in Principle (AIP) for the new Lease;
  - b. Exempt Council from conducting an expression of interest process for the new lease on the grounds that the existing tenant is best placed to work with Council on existing site holder compliance requirements.
8. In response to Confidential Attachment [15.1.1] Petition - Possible Changes to the Management of Waratah Bay Caravan Park.

- a. Forwards the Council Minutes for item 4.1 Waratah Bay Caravan Park – Proposed Lease listed in the open Ordinary Council Meeting Agenda 26 July 2017 to the lead petitioner.

**MOVED:** Cr Skinner

**SECONDED:** Cr Argento

**THAT COUNCIL:**

1. **ENTER INTO AN OVERHOLDING ARRANGEMENT OF THE CURRENT LEASE WITH HARRY CORPORATION PTY LTD FOR THE WARATAH BAY CARAVAN PARK FROM 13 DECEMBER 2017 TO 30 JUNE 2018.**
2. **COMMENCE PREPARATION OF A NEW LEASE PURSUANT TO SS.190 AND 223 OF THE LOCAL GOVERNMENT ACT 1989, CROWN LAND (RESERVES) ACT 1978, AND RETAIL LEASES ACT 2003 TO HARRY CORPORATION PTY LTD FOR THE WARATAH BAY CARAVAN PARK, BEING PART CROWN ALLOTMENT 20C PARISH OF WARATAH NORTH, WITH AN AREA OF APPROXIMATELY 3.795HA (THE LAND):**
  - a. **FOR THE PERIOD (TERM) 1 JULY 2018 TO 30 JUNE 2023;**
  - b. **AT A MARKET RENTAL TO BE NOT LESS THAN THAT DETERMINED BY A VALUER;**
  - c. **WITH SPECIAL CONDITIONS RELATING TO HARRY CORPORATION PTY LTD (THE TENANT) TRANSITIONING THE PARK INTO COMPLIANCE WITH THE BEST PRACTICE MANAGEMENT GUIDELINES FOR COMMITTEES OF MANAGEMENT: MANAGING CROWN LAND CARAVAN AND CAMPING PARKS (THE PROPOSAL).**
3. **GIVE PUBLIC NOTICE IN ACCORDANCE WITH S.223 OF THE LOCAL GOVERNMENT ACT 1989 OF THE PROPOSAL (ITEM 2 ABOVE) IN COUNCIL'S NOTICEBOARD SECTION OF THE LOCAL NEWSPAPERS IN THE WEEK COMMENCING 31 JULY 2017 AND INVITE WRITTEN SUBMISSIONS FROM THE COMMUNITY BY 5.00PM TUESDAY 29 AUGUST 2017.**
4. **AUTHORISE THE CHIEF EXECUTIVE OFFICER TO UNDERTAKE THE ADMINISTRATIVE PROCEDURES NECESSARY TO ENABLE THE COUNCIL TO CARRY OUT ITS FUNCTIONS UNDER S.223 OF THE LOCAL GOVERNMENT ACT 1989 IN RESPECT OF THE PROPOSAL (ITEM 2 ABOVE).**
5. **IF SUBMISSIONS ARE RECEIVED TO THE PUBLIC NOTICE (ITEM 2 ABOVE):**
  - a. **AUTHORISE THE CHIEF EXECUTIVE OFFICER TO SET THE TIME, DATE, AND PLACE TO HEAR, CONSIDER, AND DETERMINE SUBMISSIONS.**



## REPORT

### Particulars of the current Lease

<b>Tenant:</b>	Harry Corporation Pty Ltd
<b>Term:</b>	18 years
<b>Expiry Date:</b>	12 December 2017
<b>Area:</b>	Approximately 3.795 ha.
<b>Rental:</b>	Income from the Lease is currently \$72,000 per annum (inclusive of GST).
<b>Maintenance:</b>	The tenant is responsible for repairs, maintenance, and its own supplies. Council is responsible for capital improvement works.

### Procedural and Legal Considerations with a New Management Agreement

The procedural and legal considerations that need to be addressed when developing a new management agreement for the Park include the following:

#### 1 Ministerial Approval

As the Park is on Crown Land, Council is required to consult with DELWP regarding any future tenure arrangements for the Park.

The Park has a reservation status of *“Permanently Reserved for Protection of the Coastline”*. This is a reservation status under Part 2, Section 4(1)(ze) of the Crown Land (Reserves) Act 1978.

DELWP have confirmed:

*“If council is wishing to formalise the current tenant's occupation for say no more than four years, there are reasonable grounds to issue a lease without recourse to an expression of interest. The lease is only for four years and is to cover the period Council needs to complete planning for future long term arrangements. This type of situation is identified in the Leasing Policy as one of the grounds for granting a lease outside of a public competition process however at minimum Council will need to advertise a Notice of Intention to Lease. If Council decides to go down this path, it is required to put a case to the Department. If the term is beyond four years, an EOI process may be required.*

*As you may be already aware the land is reserved for Protection of the*

*Coastline therefore the granting of any tenure over the land requires the direct approval of the Minister and Parliamentary Scrutiny process.*"

The outcome of discussions with DELWP confirmed the following:

1. There are options available to Council for a short-term lease and these options may be exempt from following an expression of interest process if they are in line with clause 5.3 – Principle 2 of the *Crown Land Leasing Policy 2010* which aims to ensure consistency and transparency in leasing. (This means that Council will be required to notify the public of its intentions to lease to the tenant).
2. As the Park is "*Permanently Reserved for the Protection of the Coastline*" any future management agreement for the Park, regardless of the term, will require "Parliament Scrutiny and Ministerial Approval in Principle (AIP)"<sup>1</sup>.

## 2 Parliamentary Scrutiny (Order by the Governor in Council)

The Park is located on DELWP land which has been reserved for the protection of the coastline, and not for camping purposes. Therefore, as the current lease will expire, a proposed new lease requires the decision of Parliament to determine that the site can be used as a caravan park. This means that s.17A(3)(a) of the Crown Land (Reserves) Act 1978 applies "*17A Continuation of uses of reserved land for purposes other than those for which it is reserved—licences and agreements*".

This step is part of DELWP's process but as this is a lengthy process, DELWP will require Council's decision on the tenure of the Park sooner rather than later to complete the process before the expiry of the current lease.

## 3 Retail Leases Act 2003 (Vic)

The operation of the Park is a retail use. This means that the Retail Leases Act 2003 (Vic) also applies in addition to the Crown Land (Reserves) Act 1978. The Retail Leases Act 2003 binds the Crown and its land managers.

In accordance with s.21(1) of the Retail Leases Act 2003, a retail lease must be for a minimum term of five years unless a lesser term is agreed to by the Tenant and approved by the Commissioner for Small Business in accordance with s.21(5) of the Retail Leases Act 2003. So whereas Council is able to negotiate a

---

<sup>1</sup> **Parliamentary scrutiny** is the close examination and investigation of government policies, actions, regulations, legislation, and spending that is presented to Parliament.

short-term management agreement for say, six months, it is limited to the Tenant agreeing and seeking approval from the Commissioner for Small Business.

#### 4 Lease or Contract?

Council could entertain a contract arrangement and in so doing, avoid the Retail Leases Act 2003, but this means Council would not receive the benefit of rental income, and would instead be paying the Tenant to manage the Park whilst Council receives the benefits of the income derived (profits).

Given the pending Lease expiry and the need to set a management arrangement in place, it is considered more practical to continue with a retail lease model and reach agreement with the existing tenant on a 5 year term with special conditions requiring the Tenant to work with existing annual site holders on compliance with the following:

1. Residential Tenancies (Caravan Parks and Moveable Dwellings Registration and Standards) Regulations 2010; and
2. Best Practice Management Guidelines for Committees of Management: Managing Crown Land Caravan and Camping Parks.

#### 5 Interest of DELWP – new Coastal Committee of Management

DELWP have confirmed that it is interested in progressing the option of one coastal foreshore Committee of Management in an aim to address the recommendations of an expert panel appointed by the State Government to review the current system of managing Victoria's coastline starting with the Coastal Management Act 1995. A new marine and coastal system for Victoria: Marine and Coastal Act Consultation (August 2016) presents the outcome of the review and with regards to management of the coastline recommends (p.25) that DELWP:

*“...provide economic efficiencies of scale to allocate limited resources effectively.”*

This recommendation is in recognition of the misalignment of resourcing, management responsibilities and ability to raise revenue by coastal committees of management.

#### 6 Other Considerations

1. Time - Council needs time to carefully plan for the future of its Crown Land Caravan Parks.

2. Community concern - The broader community of South Gippsland is still concerned about Council directly managing Crown Land Caravan Parks. Delaying any decision with the Park will allow Council to work more closely with the community to plan for the future of the Crown Land Caravan Parks and coastal foreshore.

**PETITION: POSSIBLE CHANGES TO THE MANAGEMENT OF WARATAH BAY CARAVAN PARK**

At the June 2017 Council meeting a petition was tabled with 1,088 signatures in relation to the future management of the Waratah Bay Caravan Park. A copy of the petition prayer is available in **Figure 1** below.

**Figure 1: Petition Prayer**

<b>Petition to South Gippsland Shire Council &amp; the Victorian Parliament</b>	
Petition summary and background	The decision of the South Gippsland Shire Council to take over 2 previously successfully commercial leases; Yanakie and Long Jetty caravan parks; have proven to be costly and against the best interests of the ratepayers, forgoing what was a steady income for council in favour of an increasing financial burden. The Council intends to do the same to the Waratah Bay Caravan Park at the end of 2017 when its lease expires. In stark contrast the Waratah Bay Caravan Park is a shining example of how a commercially run park can be successful with a sensible mix of long term sites, cabins and casual camping to suit all budgets and currently no drain on the public purse. Council takeover will end the current successful business model and impose greater financial burden to the ratepayer.
Action petitioned for	<p>We, the undersigned, are concerned citizens who urge our leaders to act now to;</p> <ol style="list-style-type: none"> <li>1. Ensure the Waratah Bay Caravan Park be managed by private enterprise where it can be financially viable, support local tourism and negate the financial burden on taxpayers.</li> <li>2. To consult with stakeholders of South Gippsland Caravan Parks to devise fair and more achievable guidelines, that achieves maximum usage in our Crown Land Caravan Parks, which ultimately benefits local business dependent on tourism.</li> <li>3. Demand transparency from Council regarding future plans for the Waratah Bay Caravan Park, and therefore be held accountable for their actions.</li> </ol>

As this petition is concerned with the particulars and outcome of this Council report, it is appropriate to address this petition in conjunction with this report.

A full copy of the petition is available in **Confidential Attachment [15.1.1] – Petition - Possible Changes to the Management of Waratah Bay Caravan Park.**

**CONSULTATION**

Council officers have met with the existing tenant to discuss current and future lease considerations. Harry Corporation Pty Ltd expressed an interest to enter into a five year agreement and agreed that the current lease expiry date of December was impractical.

Council officers have been in discussions with DELWP and investigated various options to address current and future lease arrangements. DELWP have offered an overholding arrangement of the current lease to give Council time to negotiate the finer details of a further lease.

Further consultation will include discussions with the existing Tenant, DELWP, and the community via the public notice of the new lease.

## **NEXT STEPS – THE NEW LEASE**

### **1. Negotiate terms of a new Lease**

As mentioned under 'Other considerations' above, the terms of the new lease will include special conditions requiring the Tenant to work with existing annual site holders on compliance of their accommodation (caravans and annexes).

When valuing the land for market rental purposes, the valuer will be instructed to take the special conditions into account in order to recognise any potential losses or gains in site sales to the Tenant.

The Tenant will not be required to attend to any capital works or investment.

Once the terms have been agreed to, the draft Lease will be sent to DELWP for its approval process to commence (i.e. Parliamentary Scrutiny and Approval in Principle).

### **2. Public notification – s.190 of the Local Government Act 1989**

When leasing its land, Council must comply with the provisions of s.190 of the Local Government Act 1989 which says:

#### **190 Restriction on power to lease land**

- (1) A Council's power to lease any land to any person is limited to leases for a term of 50 years or less.
- (2) Subject to any other Act, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.
- (3) If the lease is to be—
  - (a) for 1 year or more and—
    - (i) the rent for any period of the lease is \$50 000 or more a year; or
    - (ii) the current market rental value of the land is \$50 000 or more a year; or
  - (b) for 10 years or more; or
  - (c) a building or improving lease—the Council must at least 4 weeks before the lease is made publish a public notice of the proposed lease.
- (4) A person has a right to make a submission under section 223 on the proposed lease.

Given the provision of s.190(3), if the market valuation of the land returns a rental of more than \$50,000 per year, Council will need to publish a public notice and comply with s.190(4).

Also, as a minimum, DELWP requires Council to publish a "Notice of Intention to Lease". The Local Government Act 1989 s.223 notice will suffice.

## THE PROCESS FOR LEASE

Following Council's decision, officers will follow a process that will broadly include the actions as shown in **Table 2** below:

**Table 2: Process for Lease**

NO.	ACTIONS	2017 EST. TIMEFRAME
1	<p>Council resolves to commence the process for a new Lease for the period (term) 1 July 2018 to 30 June 2023 to the existing Tenant.</p> <p>Write to the existing Tenant and commence negotiations on the terms of the new Lease which will include the requirement for them to work with existing site holders on compliance with the <i>Residential Tenancies (Caravan Parks and Moveable Dwellings Registration and Standards) Regulations 2010</i>, and the <i>Best Practice Management Guidelines for Committees of Management: Managing Crown Land Caravan and Camping Parks</i>.</p>	26 July 2017
2	<p>Public notification pursuant to ss.190(4) and 223 of the Local Government Act 1989 of Council's proposal to enter into a new Lease for the period 1 July 2018 to 30 June 2023 to the existing Tenant.</p>	31 July 2017
3	<p>Write to DELWP confirming Council's resolution and request DELWP to commence its process for Parliamentary Scrutiny at a sitting of Parliament and obtain Ministerial Approval in Principle for a new lease for the period 1 July 2018 to 30 June 2023 to the existing Tenant and for Council to be exempt from undertaking an EOI process (include a copy of the public notice).</p> <p>Instruct lawyers to commence preparation of a draft new lease to include special conditions regarding the Tenant working with existing site holders on</p>	1–29 August 2017

NO.	ACTIONS	2017 EST. TIMEFRAME
	<p>compliance with transition plan to bring the Park in line with the <i>Residential Tenancies (Caravan Parks and Moveable Dwellings Registration and Standards) Regulations 2010</i> and the <i>Best Practice Management Guidelines for Committees of Management: Managing Crown Land Caravan and Camping Parks</i>.</p> <p>Obtain a market valuation for rental purposes that will take into account the Tenant's obligations to address the special conditions on compliance.</p>	
4	Potential hearing of any submissions.	27 September 2017
5	Potential report to Council to consider submissions and determine resolution.	October 2017
6	DELWP to issue Ministerial Approval in Principle.	October/November 2017
7	Final Lease prepared for execution signed (subject to the outcome of 4 and 5 above).	December 2017/June 2018

## RESOURCES

There will be legal costs incurred by Council's Property team in preparation of the new lease. These costs will be allocated from the existing budget for the lease of Council's Crown Land Caravan Parks.

Market rental income will continue to be received for the term of the lease.

## RISKS

Council is well aware of the legal and reputational risk it faces with making decisions regarding the preferred future management model for the Park and its other Crown Land Caravan Parks.

## CONFIDENTIAL ATTACHMENT

**Confidential Attachment [15.1.1]** – Petition - Possible Changes to the Management of Waratah Bay Caravan Park has 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 of the petition signatories.

## **REFERENCE DOCUMENTS**

### **Council Policy**

*Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

A New Marine and Coastal System for Victoria: Marine and Coastal Act  
Consultation Paper (August 2016)

Best Practice Management Guidelines for Committees of Management: Managing  
Crown Land Caravan and Camping Parks

Crown Land Leasing Policy 2010

### **Legislative Provisions**

Coastal Management Act 1995

Crown Land (Reserves) Act 1978

Local Government Act 1989

Residential Tenancies (Caravan Parks and Moveable Dwellings Registration and  
Standards) Regulations 2010

Retail Leases Act 2013

## 4.2. KORUMBURRA RAILWAY STATION BUILDING PROJECT - LEASE AND BUSINESS CASE

Sustainable Communities and Infrastructure Services Directorate

### EXECUTIVE SUMMARY

During discussions with VicTrack on the Leongatha Station Precinct Master Plan Project, it became known that VicTrack had a funding program dedicated to renovating vacant railway buildings for community use (the Program). A copy of VicTrack's Fact Sheet for this program is provided in **Attachment [4.2.1]** – VicTrack Community Use of Vacant Rail Buildings Program - Fact Sheet.

VicTrack's program has been successful at numerous locations throughout Victoria. A nearby example is at Yarragon Station where a small station building has been re-purposed for use as an arts hub.

To submit applications for funding, community groups who intend to become the occupiers of a railway building must prepare and lodge a business case and nomination form with VicTrack that addresses the following criteria:

1. *What the activity at the building will achieve.*
2. *Why it is needed.*
3. *Who will be involved in the activity.*
4. *How the activity will be supported.*

The funding under VicTrack's program can be significant and for this reason, VicTrack also requires applicants to obtain the support of Council for the proposed use to ensure the proposed use aligns with Council's strategies and plans and is addressing the needs of the community.

This report presents the business case and nomination form that has been prepared by The Station @ Korumburra Working Group for formal support by Council addressing the four criteria above.

This project is an outstanding example of the capabilities and professionalism of our community in planning the future use of an important community asset.

## **RECOMMENDATION**

That Council:

1. Write to The Station @ Korumburra Working Group to formally confirm Council's support for their Business Case and Nomination Form (Attachments [4.2.2] and [4.2.3]) for funding under VicTrack's Community Use of Vacant Rail Buildings (Community Use) Program.
2. Write to VicTrack to formally confirm that Council has supported the Business Case (Attachment [4.2.2]) referred to in item 1 above.
3. Commence negotiations with VicTrack for a lease of the Korumburra Railway Station Building and surrounding land to Council with the ability to sub-lease.
4. Receive a further report on the outcome of the funding application to VicTrack by The Station @ Korumburra Working Group and negotiations for the lease referred to in item 3 above.

**MOVED:** Cr McEwen

**SECONDED:** Cr Brunt

## **THAT COUNCIL:**

1. **WRITE TO THE STATION @ KORUMBURRA WORKING GROUP TO FORMALLY CONFIRM COUNCIL'S SUPPORT FOR THEIR BUSINESS CASE AND NOMINATION FORM (ATTACHMENTS [4.2.2] AND [4.2.3]) FOR FUNDING UNDER VICTRACK'S COMMUNITY USE OF VACANT RAIL BUILDINGS (COMMUNITY USE) PROGRAM.**
2. **WRITE TO VICTRACK TO FORMALLY CONFIRM THAT COUNCIL HAS SUPPORTED THE BUSINESS CASE (ATTACHMENT [4.2.2]) REFERRED TO IN ITEM 1 ABOVE.**
3. **COMMENCE NEGOTIATIONS WITH VICTRACK FOR A LEASE OF THE KORUMBURRA RAILWAY STATION BUILDING AND SURROUNDING LAND TO COUNCIL WITH THE ABILITY TO SUB-LEASE.**
4. **RECEIVE A FURTHER REPORT ON THE OUTCOME OF THE FUNDING APPLICATION TO VICTRACK BY THE STATION @ KORUMBURRA WORKING GROUP AND NEGOTIATIONS FOR THE LEASE REFERRED TO IN ITEM 3 ABOVE.**

**CARRIED UNANIMOUSLY**

## REPORT

### **Community Use of Vacant Rail Buildings Program – VicTrack**

VicTrack has confirmed that it is still supporting the continuation of the above Program. The current budget allocation is \$1.5M and aims to refurbish up to two buildings per annum. There is no cap per building as every site has different requirements.

Council officers have had many discussions with VicTrack regarding accessing this budget allocation for repurposing of the vacant railway buildings at Leongatha and Nyora, and particularly for the Korumburra Station building. VicTrack has confirmed that it is keen to see all our vacant railway buildings activated to benefit the community and support township redevelopment plans.

With the closure of the South Gippsland Tourist Railway in 2016 and the historical significance of the Korumburra Station building, VicTrack is particularly keen to progress repurposing this building.

### **The Korumburra Station Building**

The Korumburra Station building is included in the State Government's *Victorian Heritage Register*, which means that buildings and works on the structure must be approved by Heritage Victoria and not Council. Importantly, the Heritage Overlay, which is also applied to the heritage station buildings at Leongatha and Nyora (with amendment) can allow otherwise prohibited uses to occur in these buildings. This potentially greatly increases the range of uses permissible in the buildings.

### **The Station @ Korumburra Working Group**

Working in partnership with South Gippsland Shire Council, the community of Korumburra came together in a series of public gatherings and workshops in August to September 2016. The meetings were to consider and discuss potential activities that could be delivered from the building, always keeping in mind the driving criteria for the VicTrack funding (responding to community needs, complementary activities, sustainability, and more).

From this foundation, "The Station @ Korumburra Working Group" (Working Group) was formed, with community leaders embracing their role to build on the recommendations put forward from community consultation and to incorporate them into a concept to deliver a community facility at the Korumburra Station Building that will work for the community in many different guises.

After many meetings, the Working Group has developed a business case in anticipation of obtaining Council support (**Attachments [4.2.2] and [4.2.3]** – The Station @ Korumburra - Business Case and Nomination Form).

### **Steps in the Application Process**

The process for lodging an application for funding with VicTrack is shown below. Council is currently in Stage 3 - obtaining Council support.



### **Step 3 - Obtain Council Support**

The Working Group is well aware that in order to submit its funding application to VicTrack, it needs to obtain Council's support to its Business Case and Nomination Form. To gain this support, the Working Group has taken into account the key Council strategies and plans that would be addressed by its proposal such as:

1. The [Social Community Infrastructure Blueprint 2014-2029](#) that documents many recommendations and statements that support developing multipurpose spaces and working with the community to identify these spaces.
2. The [Korumburra Town Centre Framework Plan](#) and the [Korumburra Streetscape Master Plan](#) that both recognise the need to activate the Korumburra Station Precinct and improve connectivity to the town centre.
3. The [Korumburra Supermarket Development Project Engagement Plan](#) (adopted June 2017) that requires Council to work with the Korumburra Historical Society and Rotary Art Gallery (and the emerging Korumburra Arts Group) to find new homes.
4. The [C03 Arts and Culture Policy 2016](#) that supports greater utilisation of existing buildings for art exhibition and performance.

## **CONSULTATION**

There has been a high level of external consultation on this project, consistent with the Project Brief and Community Engagement Plan presented to Council at a briefing session on 22 June 2016.

## **FINANCIAL IMPLICATIONS**

If Council does not support the Business Case and Nomination Form prepared by The Station @ Korumburra Working Group, then it will have missed an opportunity for funding from VicTrack and potentially Regional Development Victoria to improve an important community asset. It is likely that Council will face pressure from the community to expend funds on this asset.

The financial implications of leasing the building and surrounding land needs to be taken into account. If Council leases the building and surrounding land, it will need to include these assets within its cyclical building operations and maintenance programs. Ongoing maintenance obligations will be negotiated between Council, VicTrack, and the sub-tenants (building occupiers). As noted in the Business Case, it is proposed that the building become self-sustaining through hiring fees.

### **Lease Agreement**

VicTrack has confirmed that it is its preference for Council to enter into a lease agreement to ensure that the best possible management of the asset and the appropriate levels of insurance and resources are in place. Given the significance of the buildings and funding, Council is best placed to manage the buildings until such time any newly formed community groups have demonstrated their ability to sustainably manage the asset.

The Station @ Korumburra Working Group will also drive the formation of a suitably relevant management group to take responsibility for the day-to-day management of the facility, who is able to enter into a sub-lease arrangement with Council (as the Head Tenant), employ staff, and drive a sustainable business plan.

To protect the interest of our community whilst planning and preparing business plans, Council has lodged an expression of interest with VicTrack to lease the station buildings and surrounding land at Korumburra, Leongatha, Loch, and Nyora station precincts until such time as the future uses are determined and agreed to by VicTrack and our community.

## **RESOURCES**

At this point in time, resources from Council's Community Strengthening and Property teams are actively involved in discussions with VicTrack and The Station

@ Korumburra Working Group in progressing lodgement of the Business Case and Nomination Form to VicTrack for funding.

Ongoing resource requirements will include officers in the Building and Property teams managing lease obligations and advising/assisting the management group with managing their responsibilities.

## **RISKS**

The Korumburra Station Building is a very large building and will require significant investment to return it to a building that is fit-for-purpose. The Program provides an opportunity to secure investment of an important asset not just for our community but for the broader region of Gippsland.

If funding is not secured, then the station building is likely to become rundown and abandoned presenting Council with pressure from its community.

## **ATTACHMENTS**

*Attachments are available on Council's website – visit [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au).*

1. VicTrack Community Use of Vacant Rail Buildings - Fact Sheet **[4.2.1]**
2. The Station @ Korumburra - Business Case **[4.2.2]**
3. The Station @ Korumburra - Nomination Form **[4.2.3]**

## **REFERENCE DOCUMENTS**

### **Legislative Provisions**

Local Government Act 1989, ss. 3C, 3D, 3E

#### **4.3. COMPULSORY LAND ACQUISITION - BENA KONGWAK ROAD, BENA BRIDGE OVER RAIL LINE**

Sustainable Communities and Infrastructure Services Directorate

##### **EXECUTIVE SUMMARY**


The existing VicTrack railway bridge (KB070) is approximately 126 years old and has exceeded its service life. It is a timber/steel structure ageing rapidly and inadequate for heavy vehicles and performance base standard (PBS) vehicles. Only general mass limit (GML) vehicles are allowed at present. Due to inadequate level of service the economic growth of the area is restricted.

The design for the replacement of the bridge also incorporates approach roadworks to the new structure to eliminate the existing substandard road alignment, particularly at the northern approach to the existing bridge. This realignment necessitates a small amount of land acquisition off three properties in the vicinity of the bridge.

In order to proceed with this project, a compulsory land acquisition process is required to be carried out in accordance with the Land Acquisition and Compensation Act 1986 for the land required for road purposes to construct a new bridge on Bena Kongwak Road over the rail line south of Bena (**Figure 1**).

##### **RECOMMENDATION**

That Council:


1. Pursuant to the Land Acquisition and Compensation Act 1986 and Land Acquisition and Compensation Regulations 2010:
  - a. Undertakes the process to compulsorily acquire three parcels of land (shown hatched  in Figure 1) required for road purposes for the construction of a new bridge on Bena Kongwak Road over the rail line south of Bena as follows:
    - i. Road R1 – 2956m<sup>2</sup> of Lot 2 PS507423 being part of the land contained in certificate of title volume 10680 folio 344.
    - ii. Road R2 – 1513m<sup>2</sup> of Lot 1 TP674675 being part of the land contained in certificate of title volume 8983 folio 532.
    - iii. Road R3 – 2564m<sup>2</sup> of Lot 1 TP170584 being part of the land contained in certificate of title volume 9340 folio 473.

**MOVED:** Cr Brown

**SECONDED:** Cr Brunt

**THAT COUNCIL:**

**1. PURSUANT TO THE LAND ACQUISITION AND COMPENSATION ACT 1986 AND LAND ACQUISITION AND COMPENSATION REGULATIONS 2010:**

**a. UNDERTAKES THE PROCESS TO COMPULSORILY ACQUIRE THREE PARCELS OF LAND (SHOWN HATCHED  IN FIGURE 1) REQUIRED FOR ROAD PURPOSES FOR THE CONSTRUCTION OF A NEW BRIDGE ON BENA KONGWAK ROAD OVER THE RAIL LINE SOUTH OF BENA AS FOLLOWS:**

- i. ROAD R1 – 2956M<sup>2</sup> OF LOT 2 PS507423 BEING PART OF THE LAND CONTAINED IN CERTIFICATE OF TITLE VOLUME 10680 FOLIO 344.**
- ii. ROAD R2 – 1513M<sup>2</sup> OF LOT 1 TP674675 BEING PART OF THE**
- iii. LAND CONTAINED IN CERTIFICATE OF TITLE VOLUME 8983 FOLIO 532.**
- iv. ROAD R3 – 2564M<sup>2</sup> OF LOT 1 TP170584 BEING PART OF THE LAND CONTAINED IN CERTIFICATE OF TITLE VOLUME 9340 FOLIO 473.**

**CARRIED UNANIMOUSLY**

## **REPORT**

Council submitted an application for grant funding under the Federal Government's *Bridges Renewal Program* on 15 May 2017. Funding under this program is for 50 per cent of the total project cost of \$2.1M which is the budget for this project adopted by Council at the 28 June 2017 Ordinary Meeting of Council. VicTrack has advised that it will contribute \$450,000 towards the project if the grant funding application is successful.

The design for the replacement bridge also incorporates approach roadworks to the new structure to eliminate the existing substandard road alignment, particularly at the northern approach to the existing bridge. This realignment necessitates a small amount of land to be acquired off three properties in the vicinity of the bridge. A locality map and project location is available at the end of this report (**Figure 1**).

It is proposed that the land acquisition be carried out under a compulsory acquisition process under the 10 per cent rule provided for in accordance with regulation 6 of the Land Acquisition and Compensation Regulations 2010. This rule allows the compulsory acquisition of land without a Planning Scheme Amendment provided that each parcel is less than 10 per cent of the allotment size and value. The proposed acquisition for each of these three properties complies with this rule.

Survey plans for each acquisition have already been prepared, valuations undertaken, and notices of intention to acquire are currently being prepared.

## **CONSULTATION**

A number of discussions have occurred with each property owner with the most recent being carried out during June 2017. All three property owners are supportive of the project.

## **RESOURCES**

An adequate allowance has been included in the project budget for the land acquisition. Council's Property team is managing the acquisition with external assistance as required.

## **RISKS**

Following the compulsory process reduces the risk of the acquisition impacting on the delivery of the project.

Reaching agreement with each of the parties on the compensation valuation is a risk with Council's offer being based on an independent valuation. Council's valuer has commenced this process.

## **REFERENCE DOCUMENTS**

### **Council Policy**

*Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

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

Annual Budget 2017/18

Asset Management Strategy 2017

Procurement Policy, December 2015

### **Legislative Provisions**

Land Acquisition and Compensation Act 1986

Land Acquisition and Compensation Regulations 2010

Local Government Act 1989

Road Management Act 2004

Road Safety Act 1986



#### **4.4. 2017 TREE MANAGEMENT PLAN ADOPTION**

Sustainable Communities and Infrastructure Services Directorate

##### **EXECUTIVE SUMMARY**

Council trees are a significant asset that are of high value to the community and the environment. Trees contribute greatly to the amenity of the built environments within the Shire.

The Tree Management Plan 2017 (Plan) documents Council's tree management strategies and maintenance frameworks. The plan will ensure the longevity and quality of trees within the Shire's urban environments. It also includes the risk management practices used to reduce the impact on both Council and private property due to the presence of Council managed trees.

The Plan applies to all Council managed trees within 40km - 80km per hour speed limit zones and within any Council managed Parks outside townships.

##### **RECOMMENDATION**

That Council adopt the Tree Management Plan 2017 and publish the document on Council's website (Attachment [4.4.1]).

**MOVED:** Cr Brunt

**SECONDED:** Cr Skinner

**THAT COUNCIL ADOPT THE TREE MANAGEMENT PLAN 2017 AND PUBLISH THE DOCUMENT ON COUNCIL'S WEBSITE (ATTACHMENT [4.4.1]).**

**CARRIED UNANIMOUSLY**

## REPORT

At the Ordinary Meeting of Council in December 2011, Council adopted the *2011 Urban Tree Management Guidelines*. The aim of the guidelines is to ensure that a cost effective tree management program and maintenance guide is balanced with environmental sensitivity.

In 2015, Council received notification from the Executive Director of Local Government Victoria, detailing a request from the Minister for Emergency Services that all councils review their tree management processes.

This request was in response to both the coroner's recommendations to the City of Greater Bendigo after a falling branch killed a four year old girl, and other tragic incidents that have occurred from tree failures.

A copy of the article detailing the tragic incident at The City of Greater Bendigo is available in **Figure 1** – ABC News Article.

## Figure 1 – ABC News Article

[http://www.abc.net.au/news\\_article](http://www.abc.net.au/news_article)**ABC NEWS****Victorian coroner clears Bendigo Council over death of 4yo girl hit by falling tree branch**

By Peta Carlyon

Updated Fri 11 Sep 2015, 12:53pm

**The Victorian coroner has cleared the City of Greater Bendigo over the death of a four-year-old girl killed by a falling tree branch.**

Patiya Schreiber died when a branch from an enormous 90-year-old gum tree fell on her at Rosalind Park just after Christmas in 2013.

Her mother, Kristy Thomson, was seriously injured and the incident prompted the cancellation of New Years Eve celebrations at the reserve.

Earlier, Ms Thomson told an inquest into her daughter's death she had been walking along a path with her four-year-old when she heard "a loud crack", but when she looked up she couldn't see anything.

Shortly after, Ms Thomson said she heard a second "loud crack" before the branch fell, instantly killing the young girl.

A crime scene was set up at the scene and the tree later removed.

Questions were raised at the inquest about the health of the tree and whether the falling branch could have been prevented by council officers tasked with managing the tree.

Officers conducted a ground inspection of the tree three months before the fatality.

Coroner Phillip Byrne found there were a number of structural problems with the tree that warranted more than a ground inspection, including "six co-dominant limbs originating from one stem, the six limbs having epicormic origins, the forks between the limbs being narrow and poor taper or a long limb with foliage, mainly concentrated at its ends".

But Mr Byrne found the arborist in charge of the tree was "conscientious in the execution of his duties" and a credible witness.

He cleared the council and its officers of any wrongdoing in the cause of Patiya Schreiber's death.

**Coroner recommends more thorough inspections**

Mr Byrne made a number of recommendations relating to the management of trees, including the use of drones to monitor trees from above, and that all councils establish a tree management database to better monitor tree health.

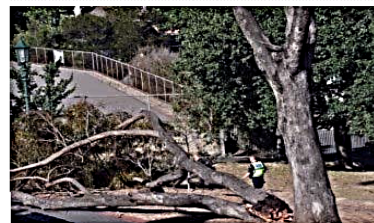
He found all inspections of trees should include an above-ground and below-ground component, looking at root systems, to establish if further action be taken.

Mr Byrne noted traditional methods of above-ground tree examinations were costly at about \$200 per tree, but noted that new technologies, such as drones, could help with monitoring problem trees.

He also noted councils should be aware of climate change when considering tree management, namely "the likelihood of more frequent major storm events and stronger wind events than in the past".

"Winds coming from other directions, particularly the east, and swirling, have also been anticipated," Mr Byrne said.

"Under such scenarios, older trees are likely to experience greater forces from wind and storm events and from different directions than they have experienced and adapted to in the past."



**PHOTO:** Patiya Schreiber, 4, was killed instantly by a falling tree branch at Bendigo's in Rosalind Park on December 30, 2013. (Supplied: Bendigo Advertiser)

**MAP:** Bendigo 3550

**Council's current 2011 Urban Tree Management Guidelines do not address the Coroner's recommendations and formed the basis for a review and development of the Plan.**

**CONSULTATION****Internal Consultation**

Internal discussions have been held with officers in Parks and Gardens, Risk, and Communications.

The draft 2017 Tree Management Plan was presented to Council at a Confidential Briefing Session on 21 June 2017.

### **External Consultation**

External consultation has occurred with the Wellington Shire Council and Toowong Shire Council to discuss their experiences and knowledge in developing tree management plans.

The Plan (if endorsed by Council) will be communicated to the community and internal stakeholders, and will be published on Council's website.

### **RESOURCES**

Council has allocated \$50,000 per annum in its Parks and Gardens operational budget to implement the Plan. The Parks and Gardens team will undertake the "Level 1 Inspections" in-house.

### **RISKS**

There is a major risk to Council by not adopting and implementing the Plan. Failing to document appropriate management and maintenance regimes for Council trees may result in exposure to significant litigation. Implementation of a risk-based approach will mitigate Council's future risk.

### **ATTACHMENTS**

*Attachments are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

1. Tree Management Plan 2017 - For Adoption **[4.4.1]**

### **REFERENCE DOCUMENTS**

#### **Council Policy**

*Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

Urban Tree Management Guidelines (December 2011)

#### **4.5. FORMALISE THE ROAD OPENING / NAMING AND ROAD ACCESS RESTRICTION IN LEONGATHA - MITCHELLS RISE ESTATE**

Sustainable Communities and Infrastructure Services Directorate

##### **EXECUTIVE SUMMARY**

An existing section of government road reserve located in Mitchells Rise Estate (Stage 3) off Nerrena Road, Leongatha is required to be open to public traffic to allow legal and reasonable access from Tilly Court to Rayson Drive. Once declared open, the unnamed road can then be formally named.




Restricting access to the east/west leg of Tilly Court is considered appropriate to remove the through vehicular traffic function of Tilly Court from the new subdivision to McDonald Street, except for pedestrian and cycle access. This would be done by placing barriers to restrict access to the road at a location approximately 110 metres east of the intersection of Louise Simon Court.

At the Ordinary Meeting of Council on 22 February 2017, Council resolved to commence a public consultation process by calling for community comment on the proposed road opening/naming and closure for Mitchells Rise Estate.

In response to the public consultation process, one submission was received in favour of the proposal. Therefore, it is recommended that Council declares a section of unused government road to be opened for public traffic, formalises the unnamed road off Tilly Court, Leongatha as "Sadies Way", and restrict access to a section of road known as "Tilly Court".

##### **RECOMMENDATION**

That Council:

1. Considers the submission and on the basis that all matters raised in the submission have been addressed, determines:
  - a. A section of unused government road off Tilly Court, Leongatha being an area of 2,485m<sup>2</sup> (shown as  in Figure 1) to be a public highway and open for public traffic, pursuant to s.204(2) of the Local Government Act 1989.
  - b. The unnamed road off Tilly Court, Leongatha (shown as  in Figure 1) to be named 'Sadies Way'.
  - c. Declares to restrict vehicle access to a section of road known as 'Tilly Court' (shown as  in Figure 1) from approximately 110m east of Louise Simon Court to the government road (proposed to be opened




and named Sadies Way) pursuant to schedule 11 clause 9(1) of the Local Government Act 1989.

2. Forward the proposed new road name to the Registrar of Geographic Place Names for final consideration and approval.
3. Subject to approval from the Registrar of Geographic Place Names to the proposed new name, place a notice in local newspapers and advise abutting land owners, local organisations, and local stakeholders of the new road name.
4. Publish a notice of the road declaration for the road opening in the Victorian Government Gazette (item 1a above).
5. Write to the Department of Environment, Land, Water and Planning (DELWP) requesting that the existing grazing licence be revoked (item 1a above).

**MOVED:** Cr Kiel

**SECONDED:** Cr Edwards

**THAT COUNCIL:**

1. **CONSIDERS THE SUBMISSION AND ON THE BASIS THAT ALL MATTERS RAISED IN THE SUBMISSION HAVE BEEN ADDRESSED, DETERMINES:**
    - a. **A SECTION OF UNUSED GOVERNMENT ROAD OFF TILLY COURT, LEONGATHA BEING AN AREA OF 2,485M<sup>2</sup> (SHOWN AS  IN FIGURE 1) TO BE A PUBLIC HIGHWAY AND OPEN FOR PUBLIC TRAFFIC, PURSUANT TO S.204(2) OF THE LOCAL GOVERNMENT ACT 1989.**
    - b. **THE UNNAMED ROAD OFF TILLY COURT, LEONGATHA (SHOWN AS  IN FIGURE 1) TO BE NAMED 'SADIES WAY'.**
    - c. **DECLARES TO RESTRICT VEHICLE ACCESS TO A SECTION OF ROAD KNOWN AS 'TILLY COURT' (SHOWN AS  IN FIGURE 1) FROM APPROXIMATELY 110M EAST OF LOUISE SIMON COURT TO THE GOVERNMENT ROAD (PROPOSED TO BE OPENED AND NAMED SADIES WAY) PURSUANT TO SCHEDULE 11 CLAUSE 9(1) OF THE LOCAL GOVERNMENT ACT 1989.**
  2. **FORWARD THE PROPOSED NEW ROAD NAME TO THE REGISTRAR OF GEOGRAPHIC PLACE NAMES FOR FINAL CONSIDERATION AND APPROVAL.**
  3. **SUBJECT TO APPROVAL FROM THE REGISTRAR OF GEOGRAPHIC PLACE NAMES TO THE PROPOSED NEW NAME, PLACE A NOTICE IN LOCAL**
-

**NEWSPAPERS AND ADVISE ABUTTING LAND OWNERS, LOCAL ORGANISATIONS, AND LOCAL STAKEHOLDERS OF THE NEW ROAD NAME.**

- 4. PUBLISH A NOTICE OF THE ROAD DECLARATION FOR THE ROAD OPENING IN THE VICTORIAN GOVERNMENT GAZETTE (ITEM 1A ABOVE).**
- 5. WRITE TO THE DEPARTMENT OF ENVIRONMENT, LAND, WATER AND PLANNING (DELWP) REQUESTING THAT THE EXISTING GRAZING LICENCE BE REVOKED (ITEM 1A ABOVE).**

**CARRIED UNANIMOUSLY**

## REPORT

### Background

A planning permit has been issued for the subdivision of land east of Tilly Court between Nerrena Road and Parr Street, Leongatha. The subdivision is known as 'Mitchells Rise Estate' and comprises seven stages. Stages 1 and 2 are complete. Stage 1 involved the creation of a road reserve off Nerrena Road to service the proposed subdivision named 'Rayson Drive' after Jack Rayson, and Stage 2 created eight lots at the east end off Parr Street.

Stage 3 of the subdivision will involve the creation of a road off Tilly Court (to be known as 'Luxford Lane' after Percy Luxford). The second road that will link Tilly Court to Rayson Drive is an unused government road which will need to be legally opened to public traffic and officially named by Council.

A plan of subdivision for Stage 3 is available in **Attachment [4.5.1]** – Plan of Subdivision – Mitchells Rise Estate.

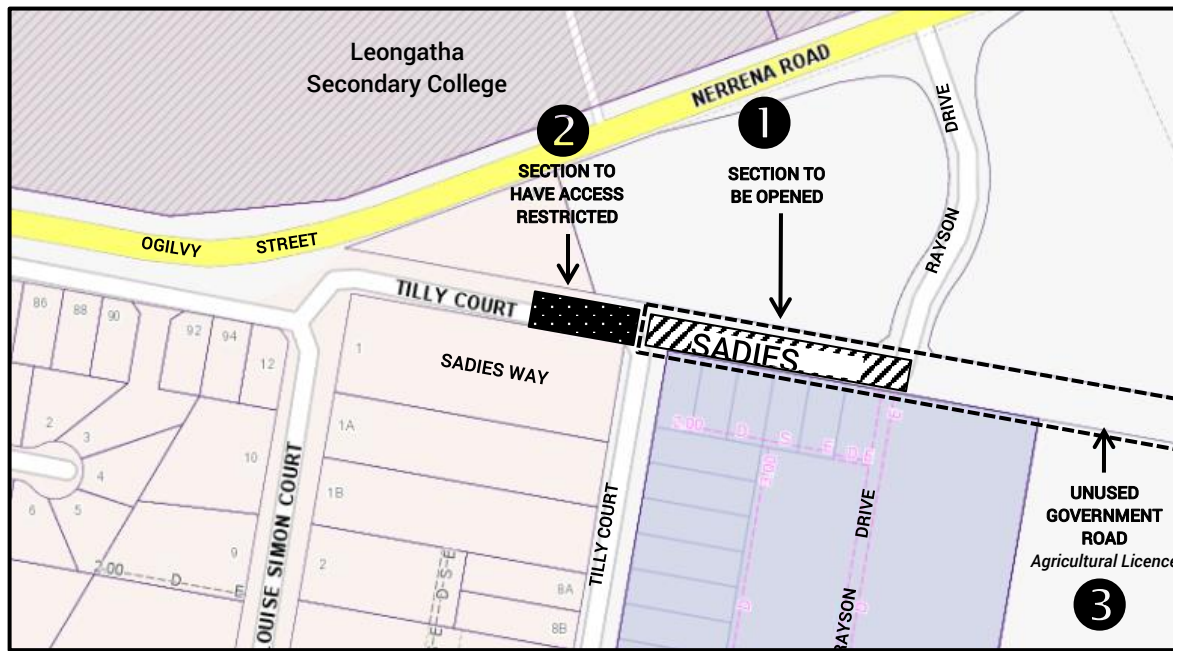
### The Proposal

Mitchells Rise Estate Stage 3 is part of a staged subdivision off Nerrena Road, Leongatha. An existing section of government road reserve is required to be open (①) to public traffic to allow legal and reasonable access from Tilly Court to Rayson Drive. Once declared open, the unnamed road can then be formally named.

The traffic study for this subdivision indicated that additional traffic generated by the subdivision should not be directed through the existing Ogilvy Street service road to McDonald Street. This meant that a section of Tilly Court would need to have access restricted for vehicular traffic except for pedestrian and cyclist (②). All traffic servicing and generated by the development, and existing properties on Tilly Court should access Nerrena Road via the road reserve created in the subdivision of Stage 1 known as Rayson Drive, and the opening of the unused government road between Tilly Court and Rayson Drive.

The restricting of access to the east/west leg of Tilly Court is considered appropriate to remove the through vehicular traffic function of Tilly Court from the new subdivision to McDonald Street, except for pedestrian and cycle access. This would be done by placing barriers across the road at a location approximately 110 metres east of the intersection of Louise Simon Court. Refer to **Figure 1** below.

**Figure 1 – Road Opening/Naming and Road Access Restriction**



- 1

 Section of unused government road to be declared open for public traffic and named 'Sadies Way'.
- 2

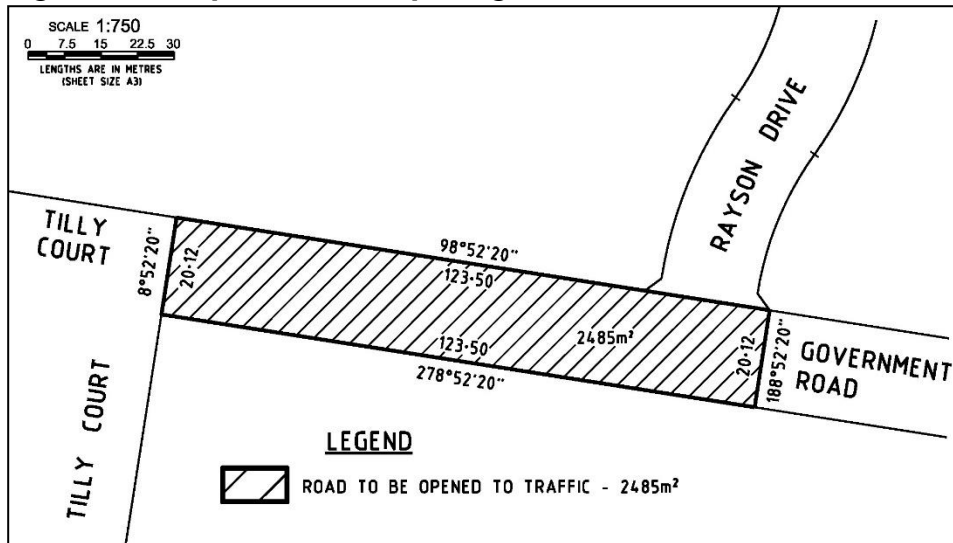
 Section of Tilly Court proposed to have passage restricted by placement of barriers constructed approximately 110 metres east of Louise Simon Court.
- 3

 Agricultural Licence (grazing) to be revoked.

## 1. Proposed Road Opening/Naming

### Road Opening

In order to progress Stage 3 of Mitchells Rise Estate, an existing section of unused government road running between Tilly Court and the future Rayson Drive needs to be opened to public traffic by Council to allow legal and reasonable access through from Tilly Court to Rayson Drive (shown as  in **Figure 1** above) and in **Figure 2** below).

**Figure 2 – Proposed Road Opening**

This section of unused government road has an Agricultural (Grazing) Licence in place (shown as [---] in **Figure 1**). If the proposed road opening is approved, Council will write to DELWP requesting that the existing grazing licence be revoked.

This unused section of government road will be constructed as part of the subdivision under the existing planning permit for Mitchells Rise Estate.

The creation of roads within plans of subdivision are usually the developer's responsibility, however, in this subdivision one of the roads is an unused government road and needs to be opened by Council.


Council has the power under the Local Government Act, s.204(2), to declare a road which is reasonably required for public use to be opened to public traffic (extract below):

*"(2) A Council may, by resolution, declare a road that is reasonably required for public use to be open to public traffic."*

A survey plan of the proposed road to be opened is available in **Attachment [4.5.2]** – Survey Plan of Road Opening.

### **Road Naming – Sadies Way**


Road naming within plans of subdivision is usually the developer's role. Notwithstanding, the developer and road naming authority are encouraged to work collaboratively to develop compliant road names. All road names submitted to Council need to be approved by the responsible road naming authority.

This section of road between Tilly Court and Rayson Drive, Leongatha (shown as  in **Figure 1 and 2**) will to be constructed by the developer and needs to be named in line with **Attachment [4.5.3]** – Naming Rules for Places in Victoria 2016.

Information on the Foley and Luxford Family history is available in **Attachment [4.5.4]** – History of Sadie Foley and Percy Luxford.

## 2. Restricting Access to Part of Tilly Court

The traffic study submitted with the planning permit application to Council indicated that additional traffic generated by the subdivision should not be directed through the existing Ogilvy Street service road to McDonald Street.

This requires restricting passage of vehicles to a section of the east/west leg of Tilly Court (shown as  in **Figure 1**). All the traffic servicing and generated by the development and existing properties on Tilly Court will access Nerrena Road via the road reserve created in the subdivision of Stage 1 (Rayson Drive) and the opening of the unused road reserve between Tilly Court and Rayson Drive. The section of road to have passage restricted will require a barrier to be constructed approximately 110 metres east of Louise Simon Court.

This restriction of vehicular traffic is in accordance with the Local Government Act 1989 under s.207 “Powers of Council over traffic” and in particular schedule 11, clause 9(1) “Power to place obstructions or barriers on a road permanently:

*“(1) A Council may block or restrict the passage or access of vehicles on a road by placing and maintaining any permanent barrier or other obstruction on the road.*

*(2) A Council must not exercise this power unless it has considered a report from the Roads Corporation concerning the exercise of the power.”*

## CONSULTATION

DATE	CONSULTATION
JULY 2016	<p><b>INTERNAL CONSULTATION</b></p> <p>Discussions have occurred between the Engineering and Assets department and the Planning department regarding the road opening and closure in July 2016.</p>

DATE	CONSULTATION
JULY 2016	<p><b>ROAD OPENING – COMMUNITY CONSULTATION</b></p> <p>The road opening of this unused road formed part of the planning permit for the subdivision. In accordance with the Local Government Act 1989 (s.204 and s.223), a public notice calling for submissions on the proposal was placed in the local newspapers and on Council's website (in the week commencing 27 February 2017) and correspondence sent to adjoining land owners. No objections were received regarding the opening of the unused road reserve between Tilly Court and Rayson Drive.</p>
September 2016	<p><b>PROPOSED ROAD NAME – 'SADIES WAY'</b></p> <p>The name put forward to Council by the developers is 'Sadies Way' after Sadie Foley, the daughter of Percy Luxford. This name is supported by the Leongatha Historical Society.</p>
November 2016	<p><b>RESTRICTING ACCESS TO PART OF TILLY COURT - COMMUNITY CONSULTATION</b></p> <p>Letters were sent to abutting land owners along Tilly Court in November 2016 calling for community comment on the proposed closing (restricting access) of this section of Tilly Court. Council has not received any correspondence on the proposed closure (access restriction).</p> <p>Discussions were held with the abutting property owner affected by the closure location and it was agreed to locate the closure approximately 110 metres from Louise Simon Court.</p>
November 2016	<p><b>VICNAMES COMPLIANCE CHECK</b></p> <p>The surname of 'Foley' is already used by another road in the municipality (in Foster). The name Foley is therefore considered a duplication. However, if a name is duplicated the naming authority may consider using a first or middle name. In this case the name 'Sadie' was forwarded to the GPN for consideration &amp; approval to use.</p> <p>A Vicnames 15km duplicate or similar sounding/spelling name search was carried out for 'Sadies'. No duplications or similar sounding names were found for the proposed name<sup>2</sup>.</p>

---

<sup>2</sup> Duplicates are considered to be two (or more) names within close proximity, or names that are identical or have similar spelling or pronunciation.

DATE	CONSULTATION
November 2016	<p data-bbox="491 286 917 322"><b>GEOGRAPHIC PLACE NAMES</b></p> <p data-bbox="491 338 1356 499">Under the Naming Rules for Places in Victoria 2016, 'Principle (H) Using commemorative names' – states that '<i>a commemorative name applied to a locality or road should use only the surname of a person, not first or given names.</i>'</p> <p data-bbox="491 515 1356 676">The proposed road name of 'Sadie' has been discussed with Geographic Place Names and is considered appropriate if Council wishes to commemorate Sadie Foley – refer to the Vicnames statutory naming rules (<b>Attachment [4.5.3]</b>).</p> <p data-bbox="491 692 1345 853">Support received on the proposed road name 'Sadie' and a copy of their approval is available in <b>Attachment [4.5.5]</b> – Correspondence from Geographic Place Names - Proposed Road Names.</p>
February 2017	<p data-bbox="491 878 758 913"><b>COUNCIL REPORT</b></p> <p data-bbox="491 929 1372 1099">Proposed Road Opening / Naming and Closure in Leongatha. Refer to <b>Attachment [4.5.6]</b> - Council Minutes 22 February 2017 - Road Opening/Naming and Closure in Leongatha (Mitchells Rise Estate).</p>
Feb / Mar 2017	<p data-bbox="491 1124 928 1160"><b>COMMUNITY CONSULTATION</b></p> <p data-bbox="491 1176 1364 1377">A public notice calling for submissions in accordance with the Local Government Act 1989 (ss.204 and 223) was advertised in the local newspapers and Council's website (in the week commencing 27 February 2017) and correspondence sent to adjoining land owners.</p> <p data-bbox="491 1393 1061 1429">Submissions closed on 30 March 2017.</p> <p data-bbox="491 1444 1364 1646">At the conclusion of the submission period, one submission was received in favour of the proposal but requested clarification on the subsequent development of Stage 3 of the subdivision. This has been addressed in correspondence to the submitter.</p> <p data-bbox="491 1662 1236 1742">Refer to <b>Confidential Attachment [15.2.1]</b> – Copy of Submission - 20 March 2017</p>

DATE	CONSULTATION
June 2017	<p data-bbox="491 286 1286 365"><b>VICROADS CONSENT FOR RESTRICTING PASSAGE OR ACCESS OF VEHICLES TO TILLY COURT</b></p> <p data-bbox="491 383 1342 584">Council has received conditional 'in-principle' support from VicRoads on the road closure in accordance with the Local Government Act 1989 under s.207 <i>"Powers of Council over traffic"</i> and in particular schedule 11, clause 9(1) <i>"Power to place obstructions or barriers on a road permanently:</i></p> <p data-bbox="571 622 1278 786"><i>"(1) A Council may block or restrict the passage or access of vehicles on a road by placing and maintaining any permanent barrier or other obstruction on the road.</i></p> <p data-bbox="571 824 1358 943"><i>(2) A Council must not exercise this power unless it has considered a report from the Roads Corporation concerning the exercise of the power."</i></p> <p data-bbox="491 981 1331 1099">A copy of VicRoads supporting document is available in <b>Attachment [4.5.7]</b> – VicRoads Correspondence - Consent Proposed Road Closure Tilly Court, Leongatha.</p> <p data-bbox="491 1115 1369 1193">A copy of Council's reply is available in <b>Attachment [4.5.8]</b> – Response to VicRoads - Road Closure Tilly Court, Leongatha.</p>

### Registrar of Geographic Place Names

If the proposed new name is adopted by Council, this will be forwarded to the Registrar of Geographic Place Names for final consideration and approval. If the name does conform to the naming rules, the Office of Geographic Place Names will gazette the name, add it to the Vicnames Registrar, and notify relevant stakeholders.

### Victorian Government Gazette

The Road Management Act 2004 and Local Government Act 1989 require Council to publish a notice in the Victorian Government Gazette of its declaration to open a road.

### RESOURCES

#### Financial Considerations

There will be no cost to Council as all costs for the design and construction of the road will be borne by the developer if the road opening is approved by Council.

The future maintenance cost of this section of road is estimated to be \$1,100 per annum which is accommodated in Council's operating budget for road maintenance when required.

There will be no cost to Council for the supply and installation of new signage and barriers for the affected roads if approved by Council. This will be covered by the developer of the subdivision.

## **RISKS**

There are no risks to Council if this road opening proceeds as all legal risks fall under the Road Management Act 2004 and are subsequently addressed in Council's Road Management Plan 2017.

If Council does not open the road, there will be no reasonable access in and out of Tilly Court.

There is minimal risk to Council as the methodology for the naming of roads is contained in the 'Naming Rules for Places in Victoria 2016' (**Attachment [4.5.3]**).

## **ATTACHMENTS**

*Attachments are available on Council's website – [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au).*

1. Plan of Subdivision - Mitchells Rise Estate **[4.5.1]**
2. Survey Plan of Road Opening **[4.5.2]**
3. Naming Rules for Places in Victoria 2016 **[4.5.3]**
4. History of Sadie Foley and Percy Luxford **[4.5.4]**
5. Correspondence from Geographic Place Names - Proposed Road Names **[4.5.5]**
6. Council Minutes 22 February 2017 - Road Opening/Naming and Road Closure in Leongatha - Mitchells Rise Estate **[4.5.6]**
7. VicRoads Correspondence - Consent Proposed Road Closure Tilly Court, Leongatha **[4.5.7]**
8. Response to VicRoads - Road Closure Tilly Court, Leongatha **[4.5.8]**

## **CONFIDENTIAL ATTACHMENT**

**Confidential Attachment [15.2.1]** – Copy of Submission - 20 March 2017 has 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 is deemed confidential to protect the privacy of the submitter.

## **REFERENCE DOCUMENTS**

### **Council Policy**

*Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

Infrastructure Design Manual  
Road Naming Procedure 2013  
Road Opening Procedure 2013  
Public Road Register

### **Legislative Provisions**

AS/NZS4819: 2011 Rural and Urban Addressing  
Geographic Place Names Act 1998  
Land Act 1958  
Local Government Act 1989  
Naming Rules for Places in Victoria 2016  
Planning and Environment Act 1987  
Road Management Plan 2017  
Road Management Act 2004

#### **4.6. AWARD CONTRACT - CON/134 MANAGEMENT AND OPERATION OF THE TOORA OUTDOOR SWIMMING POOL**

Sustainable Communities and Infrastructure Services Directorate

##### **EXECUTIVE SUMMARY**

Request for Tender RFT/134 Management and Operation of Toora Outdoor Swimming Pool was advertised during April 2017 with only one submission being received from the current operators, Ernie and Carol Bennett. It is recommended that Council award the contract to Ernie and Carol Bennett for the management and operation of the outdoor Toora Swimming Pool.

##### **RECOMMENDATION**

That Council:

1. Award CON/134 Management and Operation of Toora Outdoor Swimming Pool to E.C. and C.A. Bennett for the guaranteed revised price of \$405,808 including GST over the initial term of the contract until 30 June 2020.
2. Authorise the Chief Executive Officer to sign and affix the Common Seal of the Municipality to the contract.
3. Authorise the Chief Executive Officer to approve an extension to the contract until 30 June 2023 subject to suitable contractor performance and the extension being reported to Council.

**MOVED:** Cr Argento

**SECONDED:** Cr Skinner

##### **THAT COUNCIL:**

1. **AWARD CON/134 MANAGEMENT AND OPERATION OF TOORA OUTDOOR SWIMMING POOL TO E.C. AND C.A. BENNETT FOR THE GUARANTEED REVISED PRICE OF \$405,808 INCLUDING GST OVER THE INITIAL TERM OF THE CONTRACT UNTIL 30 JUNE 2020.**
2. **AUTHORISE THE CHIEF EXECUTIVE OFFICER TO SIGN AND AFFIX THE COMMON SEAL OF THE MUNICIPALITY TO THE CONTRACT.**
3. **AUTHORISE THE CHIEF EXECUTIVE OFFICER TO APPROVE AN EXTENSION TO THE CONTRACT UNTIL 30 JUNE 2023 SUBJECT TO SUITABLE CONTRACTOR PERFORMANCE AND THE EXTENSION BEING REPORTED TO COUNCIL.**

**CARRIED UNANIMOUSLY**

## **REPORT**

In 2011, Council awarded a three year contract for the management and operation of the Toora outdoor swimming pool to Ernie and Carol Bennett.

In 2014, the extension option within the contract was utilised to extend the contract for a further three year period.

The contract contained no further extension options meaning that a public tender process to appoint a contractor for the future operation of the pool was required.

The Friends of the Toora and District Pool Committee were aware that there were no further extension options in the existing contract. They understood Council was required to publicly advertise the contract for the management and operation of the pool.

The Toora Swimming Pool operates from September until April each year. Due to the cover over the pool and heating system, the pool is open each day of the season. It has been managed by Ernie and Carol Bennett since 1998.

### **Tender Submission**

The tender for the Management and Operation of the Toora Pool was advertised in April 2017. A pre-tender meeting with prospective tenderers was held on 12 April 2017. The meeting was only attended by one prospective tenderer – Ernie and Carol Bennett.

One submission was received from the current contractors, Ernie and Carol Bennett. In their submission, the Bennetts have been able to demonstrate they have strong support from within the local community. Local community members, the swim club, local doctors, and the Friends of the Toora and District Pool Committee all provided letters indicating their appreciation and support for the work done by the Bennetts.

The submission proposed attendance totals between 22,500 and 24,000 per annum. The income and expenditure projections for the initial term of the contract are within expectations.

The tender evaluation panel met with Ernie and Carol Bennett to discuss / negotiate aspects of their submission relating to projected income and expenditure and uncertainty over electricity prices.

- **Projected Income and Expenditure**

As a result of the meeting, agreement was reached to increase projected income and reduce maintenance expenditure to the level within the current contract. These changes have reduced the total cost to Council.

- **Electricity Prices**

Uncertainty over future electricity price increases were a concern for the Bennetts. It was agreed that Council will pay for electricity as it can achieve electricity savings through power purchasing.

The previous performance of the contractor, their knowledge, experience, and the financial projections for the initial three year term being within budget support the contract being awarded to E.C. and C.A. Bennett.

## **CONSULTATION**

A pre-tender meeting with prospective tenderers was held on 12 April 2017.

The tender was assessed in accordance with the criteria specified in the contract documentation by an evaluation panel. The evaluation panel met on 9 May 2017 to assess the tender. The panel consisted of the Manager Sustainable Communities, Coordinator Community Strengthening, Recreation Officer, and Contracts Administrator.

## **RESOURCES**

There are adequate funds allocated within the pools recurrent budget to accommodate the management and operational contracts for all pools.

## **RISKS**

### **Operational Risk**

The operation of pools inherently comes with some risk due to the nature of the facilities and the activities conducted. These risks are effectively mitigated by Council through the engagement of professional and experienced facility operators. The contract clearly identifies the responsibilities of Council and the contractor to ensure the services is provided in line with the Guidelines for Safe Pool Operation from Lifesaving Victoria.

## **REFERENCE DOCUMENTS**

### **Council Policy**

*Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

Procurement Policy, December 2015

Strategic Direction for Aquatic Facilities in South Gippsland 2015-2020

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

### **5.1. COUNCIL RESPONSE TO RESOLUTION 6.4.2 2017/18 STAFF COSTS**

Executive Office

#### **EXECUTIVE SUMMARY**

This report comes to Council in response to Resolution 6.4.2 for the 2017/18 Annual Budget (Budget) adopted on 28 June 2017:

That Council bring a report to Council on how to reduce the combined salary and on-costs figures total proposed for the 2017/18 to the levels of 2016/17.

The report details current employee numbers and costs and provides a range of options available to reduce 2017/18 salary and on-cost figures to those of last financial year. It provides context for Council to consider, should it wish to pursue that goal.

#### **RECOMMENDATION**

That Council:

1. Note the report on how to reduce the combined salary and on-costs figures total proposed for the 2017/18 to the levels of 2016/17.
2. Endorse the current staffing numbers and costs as in keeping with the ambitions of the Council Plan.
3. Receive a report by the end of October 2017 that articulates the work being undertaken by the organisation in the pursuit of Shared Services and the automation, integration and enhancement of systems and processes.

**MOVED:** Cr Edwards

**SECONDED:** Cr Brunt

**THE COUNCIL:**

1. **NOTE THE REPORT ON HOW TO REDUCE THE COMBINED SALARY AND ON-COSTS FIGURES TOTAL PROPOSED FOR THE 2017/18 TO THE LEVELS OF 2016/17.**
2. **ENDORSE THE CURRENT STAFFING NUMBERS AND COSTS AS IN KEEPING WITH THE AMBITIONS OF THE COUNCIL PLAN.**
3. **RECEIVE A REPORT BY THE END OF OCTOBER 2017 THAT ARTICULATES THE WORK BEING UNDERTAKEN BY THE ORGANISATION IN THE PURSUIT OF SHARED SERVICES AND THE AUTOMATION, INTEGRATION AND ENHANCEMENT OF SYSTEMS AND PROCESSES.**

**CARRIED**

**FOR:** Councillors Skinner, Edwards, Argento, Kiel, Brown and Brunt.

**AGAINST:** Councillors Hill and McEwen.

**REPORT**

At the Ordinary Meeting of Council held on 28 June 2017, Council decided upon the 2017/18 Annual Budget for its first year of the new Council term. The following amendment to the motion was formally resolved by Council:

*That Council bring a report to Council on how to reduce the combined salary and on-costs figures total proposed for the 2017/18 to the levels of 2016/17.*

This inclusion was in response to an s.223 submission that requested Council to reduce the number of staff. It is appreciated that a number of Councillors also campaigned to reduce Council's operating costs.

The quantum involved in reducing the combined salary and on-costs figures was not fully understood at the time of the debate. It was subsequently confirmed to have a financial impact of approximately \$850,000. It is important to recognise that this figure includes the two per cent Enterprise Agreement increase.

Below is a chart of EFT, actual staff costs and Enterprise Agreement increases over the past five years.

Year	EFT	Actual costs \$M	EA Increase
2012/13	253.00	19.783	4% on 03/09/12
2013/14	257.00	20.943	4% on 02/09/13
2014/15	261.49	22.362	4% on 01/09/14
2015/16	262.50	23.135	4% on 31/08/15
2016/17	263.40	23.837*	2% on 29/08/16

\* Budgeted – actual not available until August

There has also been significant changes in the number and cost of management level staff (those either in the Executive Leadership Team or reporting to a member of the Executive). One of the fundamental reasons for the fluctuation in management numbers is a direct result of improving organisational culture.

When the current Chief Executive Officer (CEO) was appointed in 2009, the organisation had a very poor reputation and a high level of dysfunction in relation to people, processes and systems. The CEO embarked on a cultural change program which required additional management staff in the early years to support this program. In more recent years, the organisational culture is now one of best practice, it is considered to be an employer of choice and is a leader pursuing best value service delivery. Consequently, the number of management staff required to provide oversight has reduced. This is demonstrated in the following table:

Year	EFT	Actual costs \$M
2011/12	25.00	\$3.006
2016/17	15.00	\$2.563

It is considered that the premise of the motion to reduce the combined salary and on-costs figures total proposed for the 2017/18 to the levels of 2016/17 has come about as it is perceived that staff numbers and subsequent costs indicate a measure of efficiency. The logic of this argument is that by reducing staff numbers, Council thereby reduces costs and increases its efficiency. However, cutting costs without considering many other factors can decrease the operational efficiency of Council.

The following examples demonstrate situations in which Council has increased staff numbers and costs, in turn increasing its operational efficiency:

1. Employment of two staff to undertake roadside weed management control. Without any additional funding, Council is now able to undertake three times the amount of roadside treatment than was the case by outsourcing the service.
2. Employment of two staff to manage Council's Koonwarra landfill site. Since bringing this service in-house, Council has reduced its expenditure by approximately \$100,000 per annum.
3. Employment of an engineer to undertake in-house design of road improvement projects. Demonstrated savings of \$30,000 per year.

If staff numbers and costs were an objective measure, the above positions could be put back out to market. While this would result in a reduction in the combined salary and on-costs it would also result in a corresponding increase to Council's overall expenditure and/or a reduced level of service.

It is a well-known project management principle that time, cost and quality, trade off against each other if costs are reduced without reducing quality or increasing time. Any reduction in cost without increasing the time available to do the work will inevitably impact on service delivery and service standards.

The options available to Council are to:

1. Provide timely services to a high standard, but it cannot reduce employee costs (status quo).
2. Reduce employee costs and provide timely and cheaper services that are not of a high quality (reduction in service standards).

3. Provide high quality services at a cheaper cost, but they will take a relatively longer time (reduction in services delivered).

In short, it is not possible for Council to achieve a cost reduction without impacting on service delivery and/or standards in the long term.

It is also important to note that organisations which reduce staff without considering other methods to increase productivity or reduce costs invariably suffer from poor morale and customer relations, falling into a downward spiral from which it can take years to recover.

### Council Plan

The Council Plan includes 38 new strategies (detailed below) that the organisation is expected to deliver with its existing staff resources. The exception to this – and the easiest area in which to make a saving – is the additional officer (+1 EFT) funded in the Budget to implement the Arts and Culture Strategy.

Item No.	Strategy No.	Strategy Item
1.	1.1	Develop a 'vision' for the future growth and development of the Shire in partnership with the community.
2.	1.2	Develop a strategy to grow the Shire, attract investment and promote tourism consistent with the 'vision'.
3.	1.3	Undertake a review of residential, commercial and industrial land supply to ensure that it is adequate to support growth.
4.	1.4	Identify Priority Projects and advocate to the State and Federal Governments for funding and support.
5.	1.5	Review and implement the Economic Development and Tourism Strategy to provide direction to support our businesses to grow, generate employment, pursue economic development and the attraction of visitors.
6.	1.6	Support our diversified agricultural sector.
7.	1.7	Investigate feasibility of further extensions and upgrades to the Rail Trails, particularly between Leongatha and Korumburra and explore opportunities to develop nationally significant trails.
8.	1.8	Finalise South Gippsland's Branding Strategy that supports the regional 'Destination Gippsland' branding and use them both to promote the Shire.

<b>Item No.</b>	<b>Strategy No.</b>	<b>Strategy Item</b>
9.	1.9	Progress the development of a business case to support the establishment of a multipurpose undercover 'Equestrian / Expo Centre' at Stony Creek.
10.	1.10	Undertake an investigation of caravan parks and camping grounds at Sandy Point.
11.	2.1	Where appropriate support community groups to achieve projects they have ownership of and want to progress.
12.	2.2	Update and continue to implement the Blueprint for Social Community Infrastructure so that services and the associated supporting infrastructure are planned, ready for business and population growth.
13.	2.3	Update and implement strategies for Community Strengthening and Engagement.
14.	2.4	Implement the Arts and Culture Strategy and support growth of the sector.
15.	2.5	Review the Recreation Strategy.
16.	2.6	Review and update the Paths and Trails Strategy to determine where regional and local connections are required.
17.	2.7	Renew and maintain aquatic facilities in accordance with the Asset Management Plan and the Aquatic Strategy.
18.	2.8	Investigate opportunities to consider a model for community self-determination to facilitate working in partnership with the community.
19.	2.9	Determine and implement the arrangements for the future Aged and Disability services provision, including advocating for those affected by Federal policy service delivery changes.
20.	2.10	Implement the Active Ageing Strategy.
21.	3.1	Improve management of roads and roadsides through enhanced operational practices, increased funding and continued advocacy to VicRoads.
22.	3.2	Waste Management and Sustainability strategies implemented.
23.	3.3	Promote a safe and healthy community through our municipal public health programs, Emergency Management Plans and regulatory activities that meet our statutory obligations.

<b>Item No.</b>	<b>Strategy No.</b>	<b>Strategy Item</b>
24.	3.4	Facilitate community and business renewable energy programs and sustainable practices to reduce the Shire's carbon footprint.
25.	3.5	Undertake a review of the Council's Building Portfolio to ensure it meets community needs.
26.	3.6	Advocate to Parks Victoria, DELWP and other relevant stakeholders to improve access, parking, safety and user-friendliness of beaches, State and National Parks, conservation areas and natural assets.
27.	3.7	Review the Strategic Land Review Project in regard to public open spaces in Venus Bay.
28.	3.8	Implement the Footpath Extension Program.
29.	3.9	Council to receive a report on the use of Design Panels for major projects and other development in the municipality.
30.	3.10	Establish a Council Committee to review the implementation of Council's 'Compliance and Enforcement Policy', and that it seeks appropriate input from the general public and from people who have had concerns with Council's enforcement of the Policy.
31.	3.11	Council to play an advocacy role for townships that demonstrate 70% or greater community support, for sewerage infrastructure.
32.	4.1	Increase transparency through more items being held in open Council Meetings and communicating more clearly the reasons behind decisions.
33.	4.2	Actively pursue continuous improvement and innovation, consider best practice and encourage the creation of higher valued services.
34.	4.3	Develop a Digital Strategy.
35.	4.4	Enhance customer service experiences through the development of a continuous feedback and improved customer service system.
36.	4.5	Develop educative tools and processes to assist community members understand the Planning and Enforcement processes.
37.	4.6	Enhance staff skills, capabilities and well-being through the implementation and ongoing development of SGSC people.

Item No.	Strategy No.	Strategy Item
38.	4.7	Work in partnership with the Chief Executive Officer and senior staff to develop a four year Rate Reduction Strategy, to reduce the rate burden by 3% through improved innovation and productivity savings, streamlining the administrative structures and processes, through improved Business Unit performance and economic growth.

The Strategic Resource Plan attached to the Council Plan (adopted by Council at the Ordinary Meeting of Council 28 June Meeting) states:

*The range of services undertaken by Council involves the abilities, efforts and competencies of 265.53 Equivalent Full Time (EFT) staff. The skill base of Council's workforce is diverse, with staff holding qualifications in areas such as aged care, civil engineering, accounting, health care, planning, building, and other fields.*

It also includes this paragraph on anticipated staff costs:

*Commsec Wages Prices Index project a 2.1% movement to occur in 2016/17 and 2.6% on 2017/18. The employee costs increments have been set at 2.00% from 2017/18 to 2018/19 and at 2.50% from 2020/21 to 2023/24 and then at 2.75% from 2024/25 onwards. It also has factored in the increase in superannuation contributions from 9.5% to 10.0% to occur in 2021/22 and then to increase by 0.5% each year thereafter until it reaches 12.0% in 2025/26.*

Through adopting the Council Plan and associated Strategic Resource Plan, Council has indicated its support not only for the number of officers currently employed, but also for the planned incremental increases in employee costs.

Additionally, strategy 4.7 already commits Council to work with the CEO and senior staff to develop a four year Rate Reduction Strategy, to reduce the rate burden by three per cent through improved innovation and productivity savings, streamlining the administrative structures and processes, through improved Business Unit performance and economic growth.

### **New Ways of Working**

In the pursuit of operational efficiencies, the CEO has developed and implemented the following five steps in the pursuit of achieving "new ways of

working". This proactive framework has been recognised by the industry and resulted in the CEO presenting this approach at industry forums.

**1. Organisational culture**

A culture with high levels of trust, engagement and organisational competence where people feel safe to try new things and challenge the status quo. A recent employee engagement survey confirms a strong organisational culture.

**2. High speed and capacity connection to the Internet**

This is required to enable high-speed data flow so new opportunities to work with others can be achieved. This was achieved in 2014 and Officers are looking at further increasing the data capacity when Council goes out to tender soon.

**3. Infrastructure as a Service**

To provide opportunities for Council to pursue efficiencies in managing its information technology infrastructure. This has been put in place and currently Council now use an external provider for disaster recovery functionality. This has resulted in a reduction in capital expenditure and overall operating costs in this area.

**4. Software as a Service**

By moving to using software-as-a-service, cloud-based applications, Council begins to standardise systems. As other local government authorities also commence this journey, new opportunities to work together become available. Council utilises a number of cloud-based systems, one of which is the finance system, Oracle in the Cloud.

**5. Collaborative Services**

By achieving the four steps above, Council has been able to implement collaborative services with other local government authorities. One such example is the risk management shared service implemented with Baw Baw Shire Council. This service shares staff and operates a single contract to deliver Council's risk management services. This has resulted in approximately \$30,000 per annum reduced operating costs in the delivery of the service.

By way of validating that this approach can work, in 2015/16 Council identified that \$280,000 in recurrent savings were required. Ultimately savings of approximately \$526,000 were achieved. Some of the savings were

reinvested back into the business to achieve further savings in the operating budget.

Savings identified:

- Restructure \$391,000
- Green Street electricity \$70,000
- Fleet fuel savings \$28,000
- Fuel tax credits \$37,000

\$106,750 was reinvested back into the business to deliver further efficiency gains in the long term. Projects invested in included GPS tracking, paperless planning permit processing, digital archiving and shared risk management services.

### Legislative Context

The following Local Government Act 1989, (Act) requirements must, as a minimum, be considered in the context of Council's desire to "reduce the combined salary and on-costs figures total proposed for the 2017/18 to the levels of 2016/17".

#### **Section 3E The functions of a Council**

- (1) *The functions of a Council include—*
- (b) *planning for and providing services and facilities for the local community;*
  - (c) *providing and maintaining community infrastructure in the municipal district;*
  - (e) *raising revenue to enable the Council to perform its functions.*

#### **94A Functions of the Chief Executive Officer**

- (1) *A Chief Executive Officer is responsible for—*
- (a) *establishing and maintaining an appropriate organisational structure for the Council*
- (2) *The Chief Executive Officer may appoint as many members of Council staff as are required to enable the functions of the Council under this Act or any*

*other Act to be carried out and to enable the Chief Executive Officer to carry out her or his functions.*

- (3) *The Chief Executive Officer is responsible for appointing, directing, managing and dismissing Council staff and for all other issues that relate to Council staff.*

**Division 3 Best Value principles:**

**208B Best Value Principles**

- (a) *all services provided by a Council must meet the quality and cost standards required by section 208D;*

**208C Factors that may be looked at in applying the Principles**

*In applying the Best Value Principles, a Council may take into account, among other factors –*

- (a) *the need to review services against the best on offer in both the public and private sectors*
- (b) *an assessment of value for money in service delivery*

**208D Quality and cost standards**

- (1) *A Council must develop quality and cost standards for the provision of any service it provides for its community.*

**Options**

The following cost reduction options are available. Their advantages and disadvantages are detailed below:

## 1. Reduce management oversight: (operational function)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Cost saving realised following the payback period of any redundancy cost.</li> <li>• CEO able to implement without considering Best Value Principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Redundancy cost impact.</li> <li>• Impact on organisational culture leading to decreased efficiency and innovation, higher turnover and recruitment costs.</li> <li>• Best Value Principles not considered.</li> <li>• CEO function - Council unable to control staff numbers as set out in the Act.</li> </ul>

## 2. Reduce services or service levels (Council function)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Achieves Council's goal to reduce the combined salary and on costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Political difficulties due to the impact on service users.</li> <li>• Lengthy review process.</li> <li>• Redundancy cost impact.</li> </ul>

## 3. Contract out services (operational and Council function)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Achieves Council's goal to reduce the combined salary and on-costs.</li> <li>• Constantly considered when reviewing internal systems and processes.</li> </ul>	<ul style="list-style-type: none"> <li>• May increase overall operating costs, as discussed above.</li> <li>• Lengthy review process required.</li> </ul>

*\* Note: must be undertaken in accordance with the Local Government Act 1989 Best Value Principles.*

4. Shared Services (operational and can be a Council function if impacting on the Local Government Act 1989, Best Value Principles)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Achieves Council's goal to reduce the combined salary and on-costs.</li> <li>• Currently being pursued by council's Executive Leadership and Management Team.</li> </ul>	<ul style="list-style-type: none"> <li>• May increase overall operating costs if not properly understood.</li> <li>• Requires a suitable partner with similar risk appetite.</li> <li>• Lengthy review process required.</li> <li>• Requires the five steps in the pursuit of achieving "new ways of working" to be in place as discussed above.</li> </ul>

*\* Note: it may be required to be undertaken in accordance with the Local Government Act 1989, Best Value Principles depending on the impact.*

5. Automate, Integrate and enhance systems and processes. (operational function)

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• May achieve Council's goal to reduce the combined salary and on-costs.</li> <li>• Able to provide more service with the same resource or the same service, with less resource.</li> <li>• Currently being pursued by Council's Management Team.</li> </ul>	<ul style="list-style-type: none"> <li>• May increase overall operating costs if not properly understood.</li> <li>• Lengthy review process required.</li> <li>• Requires the five steps in the pursuit of achieving "new ways of working" to be in place as discussed above.</li> </ul>

## RISKS

If Council opts to make cuts to the staff costs without an equivalent cut to service provision or Council Plans strategies, then there is the risk that service delivery and/or Council Plan outcomes will be compromised. There is also a risk that if arbitrary cuts are made that it would have a long term impact on organisational culture.

## REFERENCE DOCUMENTS

### Council Policy

Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)

Council Plan 2017-21

Council Budget 2017/18

**Legislative Provisions**

Local Government Act 1989

## **5.2. AUDIT COMMITTEE REPORT - 5 JUNE 2017**

Corporate and Community Services Directorate

### **EXECUTIVE SUMMARY**

The Audit Committee met on 5 June 2017 and a copy of its report (**Attachment [5.2.1]** – Audit Committee Minutes – 5 June 2017) is provided for Council's consideration and endorsement.

### **RECOMMENDATION**

That Council:

1. Receives and endorses the report of the Audit Committee held on 5 June 2017 (Attachment [5.2.1] - Audit Committee Minutes – 5 June 2017); and
2. Notes that any documents referred to in this Council Report or report of the Audit Committee held on 5 June 2017 (Attachment [5.2.1] – Audit Committee Minutes – 5 June 2017) remain confidential in accordance with the designation made by Chief Executive Officer in the 5 June 2017 Audit Committee Agenda, excluding the following:
  - a. Report of Audit Committee 3 April 2017; which has already been made public in the 24 May 2017 Council Meeting minutes; and
  - b. Leasing Policy.

**MOVED:** Cr Brunt

**SECONDED:** Cr Skinner

### **THAT COUNCIL:**

1. **RECEIVES AND ENDORSES THE REPORT OF THE AUDIT COMMITTEE HELD ON 5 JUNE 2017 (ATTACHMENT [5.2.1] - AUDIT COMMITTEE MINUTES – 5 JUNE 2017); AND**
2. **NOTES THAT ANY DOCUMENTS REFERRED TO IN THIS COUNCIL REPORT OR REPORT OF THE AUDIT COMMITTEE HELD ON 5 JUNE 2017 (ATTACHMENT [5.2.1] – AUDIT COMMITTEE MINUTES – 5 JUNE 2017) REMAIN CONFIDENTIAL IN ACCORDANCE WITH THE DESIGNATION MADE BY CHIEF EXECUTIVE OFFICER IN THE 5 JUNE 2017 AUDIT COMMITTEE AGENDA, EXCLUDING THE FOLLOWING:**

- a. REPORT OF AUDIT COMMITTEE 3 APRIL 2017; WHICH HAS ALREADY BEEN MADE PUBLIC IN THE 24 MAY 2017 COUNCIL MEETING MINUTES; AND**
- b. LEASING POLICY.**

**CARRIED UNANIMOUSLY**

## REPORT

The Audit Committee is an advisory committee whose role is to oversee and monitor Council's audit processes, including internal control activities. As of 5 June 2017, the Committee comprised of three independent community members, one of whom was the Committee Chair, and two Councillors (the Mayor, Cr Ray Argento and Cr Lorraine Brunt). The Committee is independent from management and does not have any executive powers, management function or delegated financial responsibility.

Some of the significant matters considered by the Audit Committee at the 5 June 2017 meeting (**Attachment [5.2.1]** – Audit Committee Minutes – 5 April 2017) included:

- Report of Audit Committee 3 April 2017.
- Local Government Performance Reporting Framework Report July 2016 – March 2017.
- Leasing Policy and associated delegations.
- Draft Risk Management (Shared Services) Business Plan 2017/18.
- Strategic Risk Committee Minutes (2 May 2017).
- Asset Management and Road Maintenance / Inspections Audit Report.
- Maternal and Child Health and Immunisation Draft Audit Scope.
- Draft Internal Audit Plan 2017/18.
- Internal Audit Recommendation Implementation Report.
- VAGO Interim Management Letter.
- Related Party Transaction Disclosure Compliance Report.

## CONSULTATION

The Audit Committee Report (**Attachment [5.2.1]** – Audit Committee Minutes – 5 June 2017) has been circulated to the Chair of the Audit Committee for endorsement.

## RESOURCES

Budget allowances for Council's three Independent Audit Committee Members' attendance fees (including proposed fee increase) and an outsourced internal function are made within Council's current and forward budgets.

## **RISKS**

The Audit Committee undertakes an integral and active role in risk mitigation (including financial) and oversees organisational compliance with legislation.

## **ATTACHMENTS**

*Attachments are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au).*

1. Audit Committee Minutes - 5 June 2017 **[5.2.1]**

## **REFERENCE DOCUMENTS**

### **Legislative Provisions**

Local Government Act 1989

**6. OTHER COUNCIL REPORTS**

**Nil**

**7. NOTICES OF MOTION AND/OR RESCISSION**

**Nil**

## **8. PROCEDURAL REPORTS**

### **8.1. ASSEMBLY OF COUNCILLORS: 22 MAY 2017 TO 21 JUNE 2017**

Corporate and Community Services Directorate

#### **EXECUTIVE SUMMARY**

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

The matters listed in this report were presented or considered, at either an Advisory Committee Meeting, Councillor Strategic Briefing Session or Public Presentation Session between 22 May and 21 June 2017.

#### **RECOMMENDATION**

That Council receives and notes this report.

**MOVED:** Cr Hill

**SECONDED:** Cr Skinner

**THAT COUNCIL RECEIVES AND NOTES THIS REPORT.**

**CARRIED UNANIMOUSLY**

## REPORT

Tuesday 23 May 2017	
Meeting Title	Details
<b>Municipal Emergency Management Planning Committee</b>	<p><b>Councillors Attending:</b> Councillor Kiel</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b></p> <ul style="list-style-type: none"> <li>• New appointments</li> <li>• Guest Speaker – Rhett McLaren – debrief ‘Unify’ Event held in January 2017</li> <li>• Guest Speaker – Peter Bull – Maritime Services presentation on marine pollution and consequences for the Gippsland Coastline</li> <li>• Endorsement of Animal Emergency Welfare Plan</li> <li>• Review of Emergency Plans and sub plans – Economic Development and Tourism</li> <li>• Training Opportunities</li> <li>• CERA (Community Emergency Risk Assessment) Risk Review</li> <li>• Working Group – Severe Weather Emergency Plan</li> <li>• Single Incident Notifications</li> <li>• Family Violence Strategy</li> <li>• Training Exercise</li> <li>• West Gippsland Floodplain Management Strategy update</li> </ul>
<b>Municipal Fire Management Planning Committee</b>	<p><b>Councillors Attending:</b> Councillor Argento</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b></p> <ul style="list-style-type: none"> <li>• Single Incident Notifications</li> <li>• Static Water Supplies</li> <li>• Fire Breaks criteria</li> <li>• Fire Water tanks – works program</li> <li>• Training</li> </ul>

<b>Wednesday 24 May 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>Council Agenda Topics Discussion 23 May 2017</b>	<p><b>Councillors Attending:</b> Councillors Edwards, Skinner, Brown, Argento, Kiel, Rich, McEwen and Brunt.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on Council Agenda items for the Ordinary and Special Council Meeting 23 May 2017.</p>
<b>Public Presentations</b>	<p><b>Councillors Attending:</b> Councillors Edwards, Skinner, Brown, Argento, Kiel, Rich, McEwen and Brunt.</p>
<b>Open Session</b>	<p><b>Conflict of Interest:</b> Nil disclosed.</p>
<p><b>Presentations were made to Council by the following community members:</b> <b>David Lewis</b>, addressed Council regarding Council Agenda Item 5.8 Policy Review: C65 Public Participation in Meetings with Council.</p>	
<b>Council Agenda Topics Discussion 23 May 2017</b>	<p><b>Councillors Attending:</b> Councillors Edwards, Skinner, Brown, Argento, Kiel, Rich, McEwen and Brunt.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on Council Agenda items for the Ordinary and Special Council Meeting 23 May 2017.</p>
<b>Tuesday 30 May 2017</b>	
<b>Planning Briefing</b>	<p><b>Councillors Attending:</b> Councillors Argento and Kiel.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b></p> <ul style="list-style-type: none"> <li>• CEO Key Performance Indicators for the 3<sup>rd</sup> quarter reporting period – assessment report with the CEO.</li> </ul>

<b>Monday 5 June 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>South Gippsland Audit Committee</b>	<p><b>Councillors Attending:</b> Councillors Argento and Brunt.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b></p> <ul style="list-style-type: none"> <li>• Financial Reports – July 2016 – Feb 2017</li> <li>• Performance Report (nonfinancial)</li> <li>• Local Government Performance Reporting Framework: July 2016 – March 2017</li> <li>• Leasing Policy and Delegations</li> <li>• Strategic Risk Register</li> <li>• Internal Audit Program</li> <li>• External Audit Interim Management Letter</li> </ul>
<b>Wednesday 7 June 2017</b>	
<b>Planning Briefing</b>	<p><b>Councillors Attending:</b> Councillors Argento, Kiel, Rich, Skinner, Edwards, Brown, Brunt and McEwen.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b></p> <ul style="list-style-type: none"> <li>• Strategic Planning Project List</li> <li>• Planning Applications of Significance</li> <li>• Decisions for April 2017</li> <li>• VCAT Decisions</li> <li>• Industrial Development in the Farming Zone</li> <li>• Briefing Paper content</li> <li>• Proposed marketing materials</li> </ul>

<b>Wednesday 7 June 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>Economic Development &amp; Tourism Steering Committee</b>	<p><b>Councillors Attending:</b> Councillors Argento, Kiel, Rich, Skinner, Edwards, Brown, Brunt, Hill, Edwards and McEwen.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b></p> <ul style="list-style-type: none"> <li>• Visitor Information Services Review</li> <li>• RV Friendly Towns</li> <li>• Economic Development and Tourism Strategy</li> </ul>
<b>Cr Rich apology statement</b>	<p><b>Councillors Attending:</b> Councillors Rich, Brown, Brunt, Argento, Kiel, Skinner, McEwen and Edwards.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Cr Rich made an apology to Councillors present with reference to it pertaining towards Cr Brunt. This relates to an internal conduct matter raised by Cr Brunt.</p>
<b>Korumburra Supermarket Development – Engagement Plan</b>	<p><b>Councillors Attending:</b> Councillors Rich, Brown, Brunt, Argento, Kiel, Skinner, Hill, McEwen and Edwards.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on a supermarket development proposal for Korumburra and engagement plan, to consider the relevant stakeholders' contribution as they may be impacted by the proposal.</p>

<b>Wednesday 7 June 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>2016/17 Community Grants Round 2 Assessment</b>	<p><b>Councillors Attending:</b> Councillors Rich, Brown, Brunt, Argento, Kiel, Skinner, Hill, McEwen and Edwards.</p> <p><b>Conflict of Interest:</b> Grants / Emergency Management Coordinator declared two indirect conflicts of interest on Confidential Agenda Item 12.1 2016/17 COMMUNITY GRANTS ROUND 2 by close association as they are related to someone who submitted an application and they are a member of a Club that made an application; they were not present during the consideration of both items.</p> <p><b>Matters Discussed:</b> Councillors considered recommendations presented regarding the assessment of the 2016/17 Community Grants Program – Round 2.</p>

<b>Wednesday 7 June 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>Solar Savers Program – Solar Electricity for Low Income Earners</b>	<p><b>Councillors Attending:</b> Councillors Rich, Brown, Brunt, Argento, Kiel, Skinner, Hill, McEwen and Edwards.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on Solar Savers Program that aims to support pensioner households to save money by installing affordable, good quality solar electricity systems.</p>
<b>Draft Municipal Public Health and Wellbeing Plan 2017 - 2021</b>	<p><b>Councillors Attending:</b> Councillors Rich, Brown, Brunt, Argento, Kiel, Skinner, Hill, McEwen and Edwards.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on the Draft Municipal Public Health and Wellbeing Plan 2017-2021.</p>
<b>Executive Update</b>	<p><b>Councillors Attending:</b> Councillors Rich, Brown, Brunt, Argento, Kiel, Skinner, Hill, McEwen and Edwards.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b></p> <ul style="list-style-type: none"> <li>• Council Reports: Contractual Matters in Open Council</li> <li>• Home and Community Care Service Transition</li> <li>• Bald Hills Wind Farm</li> <li>• Council Meeting 24 May – Live Stream</li> </ul>

<b>Wednesday 7 June 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>Section 86 Committees Delegations Review (Volunteer Special Committees to Council)</b>	<p><b>Councillors Attending:</b> Councillors Rich, Brown, Brunt, Argento, Kiel, Skinner, Hill, McEwen and Edwards.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on the review process of the delegations of Section 86 Committees of Council.</p>
<b>Wednesday 14 June 2017</b>	
<b>Site Visit: 80 Restlee Drive, Nyora – Current Planning Application for consideration Council Agenda 28 June 2017</b>	<p><b>Councillors Attending:</b> Councillors Argento, Kiel, Brunt, Skinner, Edwards and McEwen.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b></p> <ul style="list-style-type: none"> <li>• Site visit to 80 Restlee Drive Nyora, to assist Council with their deliberations relating to the Council Agenda 28 June 2017, Item 3.3. PLANNING APPLICATION 2016/238 – USE AND DEVELOPMENT OF ACCOMMODATION AND DEVELOPMENT OF OUTBUILDINGS AT 80 RESTLEE DRIVE NYORA.</li> <li>• Council's previous decision on a separate application for the same land.</li> <li>• Opportunity for Councillors to ask questions to the applicant/ land owner.</li> </ul>
<b>Thursday 15 June 2017</b>	
<b>Active Retirees Advisory Committee</b>	<p><b>Councillors Attending:</b> Councillor Rich</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Active Retiree Advisory Committee Terms of Reference review; Seniors Festival 2017; Presentation to Council in July; Public transport services.</p>

<b>Wednesday 21 June 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>Home and Community Care (HACC) Transition Options</b>	<p><b>Councillors Attending:</b> Councillors Skinner, Brunt, Argento, Kiel, Brown and McEwen.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on Aged and Disability Services (A&amp;DS) and the legislated changes that will impact councils over the next two years, including South Gippsland. Transition options were outlined.</p>
<b>Community Satisfaction Survey Results</b>	<p><b>Councillors Attending:</b> Councillors Skinner, Brunt, Argento, Kiel, Brown, McEwen and Rich.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on South Gippsland Shire Council Community Satisfaction Survey 2017 results.</p>
<b>Waratah Bay Caravan Park and Foreshore</b>	<p><b>Councillors Attending:</b> Councillors Skinner, Brunt, Argento, Kiel, Brown, McEwen, Rich and Hill.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on future management options of Waratah Bay Caravan Park.</p>
<b>Library Service Provision</b>	<p><b>Councillors Attending:</b> Councillors Skinner, Brunt, Argento, Kiel, Brown, McEwen, Rich and Hill.</p> <p><b>Conflict of Interest:</b> Nil disclosed.</p> <p><b>Matters Discussed:</b> Councillors were provided information on the current status and potential future options for Library Services in South Gippsland.</p>

<b>Wednesday 21 June 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>Annual Presentation from the West Gippsland Regional Library Corporation</b>  <b>Open Session</b>	<b>Councillors Attending:</b> Councillors Rich, Skinner, Brunt, Argento, Kiel, Brown, McEwen and Hill. <b>Conflict of Interest:</b> Nil disclosed. <b>Matters Discussed:</b> Councillors were provided an annual update from the CEO of the West Gippsland Regional Library Corporation operations and strategic direction of library services in South Gippsland.
<b>Korumburra Supermarket Development Proposal</b>  <b>Open Session</b>	<b>Councillors Attending:</b> Councillors Rich, Skinner, Brunt, Argento, Kiel, Brown, McEwen and Hill. <b>Conflict of Interest:</b> Nil disclosed. <b>Matters Discussed:</b> Councillors were provided information from representatives of the Development Proposal.
<b>Public Presentation Session</b>  <b>Open Session</b>	<b>Councillors Attending:</b> Councillors McEwen, Rich, Brunt, Argento, Kiel, Skinner, Brown and Hill. <b>Conflict of Interest:</b> Nil disclosed.
<p><b>Presentations were made to Council by the following community members:</b>  <b>Sonya Moncrieff</b>, addressed Council regarding proposed/ planning application of a new Medical Centre in Mirboo North, to replace the existing dated building.  <b>Tom Holman along with other supporting members representing the Foster Community Association</b> regarding background proposed Council report 6.2 Visitor Information Services Final Recommendation Report for the Council Agenda 28 June 2017.  <b>Shirley Cowling</b>, regarding improving visitor's first impression of Korumburra.</p>	
<b>Waratah Bay Caravan Park and Foreshore</b>  <b>Matter continued from earlier discussions</b>	<b>Councillors Attending:</b> Councillors McEwen, Rich, Brunt, Argento, Kiel, Skinner, Brown and Hill. <b>Conflict of Interest:</b> Nil disclosed. <b>Matters Discussed:</b> Councillors were provided information on future management options of Waratah Bay Caravan Park.

<b>Wednesday 21 June 2017</b>	
<b>Meeting Title</b>	<b>Details</b>
<b>2017 Tree Management Plan</b>  <b>Open Session</b>	<b>Councillors Attending:</b> Councillors Skinner, Brunt, Argento, Kiel, Brown, McEwen, Rich and Hill.  <b>Conflict of Interest:</b> Nil disclosed.  <b>Matters Discussed:</b> Councillors were provided information on a 2017 Tree Management Plan that includes Council's tree management strategies and maintenance framework.
<b>Councillor/CEO Session</b>	<b>Councillors Attending:</b> Councillors Rich, Skinner, Brunt, Argento, Kiel, Brown, McEwen and Hill.  <b>Conflict of Interest:</b> Nil disclosed.  <b>Matters Discussed:</b> <ul style="list-style-type: none"> <li>• Council information requests from Cr Hill.</li> <li>• Proposed workshop for determining the committee structures and Councillor information flow</li> </ul>
<b>Executive Update</b>	<b>Councillors Attending:</b> Councillors, Brunt, Argento, Kiel, Skinner, Brown and Hill.  <b>Conflict of Interest:</b> Cr Rich left the assembly with a direct conflict of interest relating to a legal matter that he is a party to.  <b>Matters Discussed:</b> <ul style="list-style-type: none"> <li>• Korumburra Recreation Reserve update</li> <li>• Planning application</li> <li>• Legal Matter</li> </ul>

## REFERENCE DOCUMENTS

### *Legislative Provision*

Local Government Act 1989

## **8.2. DOCUMENTS SEALED, AWARDED OR EXTENDED BY CEO 26 JULY 2017**

Corporate and Community Services Directorate

### **EXECUTIVE SUMMARY**

This document reports to Council the following actions undertaken by the Chief Executive Officer (CEO) which occurred during the period from 23 May to 21 June 2017, as required by the Council's Instrument of Delegation to the Chief Executive Officer and Procurement Policy:

- 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 receive and note this report.

**MOVED:** Cr Brunt

**SECONDED:** Cr Skinner

**THAT COUNCIL RECEIVE AND NOTE THIS REPORT.**

**CARRIED UNANIMOUSLY**

## 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, s.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 23 May to 21 June 2017:

1. Section 173 Agreement between South Gippsland Shire Council and the owner of 355 Holmes Road, Madan in relation to subdivision of the land into two lots – Seal Applied 31 May 2017.
2. Section 173 Agreement between South Gippsland Shire Council and the owner of 13 Fishermans Way, Port Franklin in relation to the development of land with single dwelling – Seal Applied 31 May 2017.
3. Section 173 Agreement between South Gippsland Shire Council and the owner of 155 Boolarra South Mirboo North Road, Mirboo North in relation of a two lot subdivision – Seal Applied 31 May 2017.
4. Section 173 Agreement between South Gippsland Shire Council and the owner of 24-28 Gray Street, Leongatha in relations to subdivision of the land into two lots – Seal Applied 2 June 2017.
5. Section 173 Agreement between South Gippsland Shire Council and the owner of 86-88 Outlook Drive, Venus Bay in relation to developing land with a dwelling – Seal Applied 2 June 2017.
6. Section 173 Agreement between South Gippsland Shire Council and the owner of 15 Heathlands Drive, Port Welshpool in relation to development of a single dwelling – Seal Applied 2 June 2017.

7. Section 173 Agreement between South Gippsland Shire Council and the owners of 435 Koonwarra Pound Creek Road, Koonwarra and 123 Nicholas Road, Leongatha South in relation to a two lot sub-division – Seal Applied 2 June 2017.
8. Section 173 Agreement between South Gippsland Shire Council and the owner of 14 Stratton Street, Port Welshpool in relation to a replacement dwelling – Seal Applied 16 June 2017.

### **Contracts awarded after a public tender process within the CEO's delegation**

The CEO's delegation from Council allows the CEO to award contracts up to the value of \$250,000 (inclusive of GST), with the exception of Annual WorkCover and Council insurance premiums.

Council's Procurement Policy requires recording the Council Minutes all contracts over the statutory threshold set out in the Act (\$150,000 inclusive of GST for goods and services and \$200,000 inclusive of GST for works) for a public tender which shows the contracts purpose, the successful tenderer, contract length and the total contract price.

Further, Council's Procurement Policy requires 'that Council will not disclose information about procurements below the statutory thresholds, however, to ensure compliance with Council's Procurement Policy, it will be noted in this report that a contract awarded below the statutory threshold has been entered into following a public tender.

The following contracts awarded were awarded during the period 23 May to 21 June 2017 under the CEO's financial delegation of \$250,000 (inclusive of GST) following a public tender that were not specified in the 24 August 2016 resolution (refer to the paragraph below):

Nil

Council resolved on 24 August 2016 to delegate to the CEO the power to award contracts specified in the resolution, subject to the preferred tenders being within budget and that Council receive a report detailing the contracts awarded. The following contracts were awarded during the period 23 May to 21 June 2017 that were specified in the 24 August 2016 resolution and that were within budget:

Nil

### **Contract variations approved by the CEO**

Council's Procurement Policy authorises the CEO to approve any necessary variations to a contract which exceeds the CEO's delegation, to allow the proper fulfilment of the contract and to ensure delays to key projects are avoided,

following consultation with the Mayor and subject to this variation being reported to the next practicable Ordinary Meeting of Council.

The following variations to a contract which exceeds the CEO's delegation, approved by the CEO during the period 23 May to 21 June 2017:

Nil

### **Contract extensions approved by the CEO**

Council's Procurement Policy authorises the CEO to enter into any contract extensions subject to the satisfactory performance of the contractor and the extension being reported to Council for any contracts which in total exceeds the CEO's delegation.

The following contract extensions approved by the CEO during the period 23 May to 21 June 2017:

1. Contract SGC13/12 Provision of Meals for the Meals on Wheels Services - final one year extension expiring 30 June 2018 was approved by the Chief Executive Officer on 18 May 2017 to Gippsland Southern Health Services (SGC13/12-A) and South Gippsland Hospital (SGC13/12-B).
2. Contract SGC15/02 Supply and Delivery of Liquid Hot and Cold Bituminous Products – first of two one year extensions expiring 30 June 2018 was approved by the Acting Chief Executive Officer on 2 June 2017 to Downer Edi Works Pty Ltd.
3. Contract SGC15/04 Supply, Delivery and Laying of Hot and Cold Asphalt Products – first of two one year extensions expiring 30 June 2018 was approved by the Chief Executive Officer on 20 June 2017 to:
  - a. Fowlers Asphalting Pty Ltd;
  - b. A1 Asphalting Pty Ltd;
  - c. Fulton Hogan Industries; and
  - d. Gippsland Asphalt Pty Ltd.

### **REFERENCE DOCUMENTS**

#### **Council Policy**

*Documents are available on Council's website: [www.southgippsland.vic.gov.au](http://www.southgippsland.vic.gov.au)*

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

Procurement Policy, December 2015

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

**Legislative Provisions**

Local Government Act 1989, ss.5 and 186

## 9. COUNCILLOR REPORTS

### 9.1. REQUESTS FOR LEAVE OF ABSENCE

Nil

### 9.2. COUNCILLOR UPDATES

<b>Cr Maxine Kiel</b>		
<b>Date</b>	<b>Event</b>	<b>Comments</b>
10 July	Leongatha Rec. Reserve Meeting	Extremely happy with the final finish for the bitumen road around Oval. The Pioneer gates are being fixed to support new gates.
12 July	Woreen Broiler Farm	Met with both those for and against the prospective Broiler chicken farm at Woreen. Great to see first hand where the farm could be and how it will affect the community/neighbours.
17 July	Fish Creek Community AGM	For the previous year, Fish Creek has had no structure for their community group and it was great to see those interested stepping up to be part of the Group for the next year. All committee places were filled.
18 July	Casey Council Meeting	I attended the Casey Council meeting to see how they operated, where they sat, how they addressed each other and to learn how other Councils operate their meetings.
19 July	Community Grants Presentation	Always a great time to see how our community groups are all working hard to improve their own communities. The Council Grant Presentation Evening recognises that dedication from the groups for their projects.
22 July	Fish Creek Makers Market	A very fresh start to the day with freezing conditions for the market, lucky it was inside. Clashing with the Leongatha Makers Market, there were a few less stalls than last time, but plenty of local stallholders and visitors.
22 July	125th Anniversary of the Sth Gippsland Shire Brass Band	Approx. 120 people helped celebrate this milestone in the Band's history. Their choice of music was amazing and the strength of their sound quite phenomenal. A special presentation from the junior band was also well received.

<b>Cr Meg Edwards</b>		
<b>Date</b>	<b>Event</b>	<b>Comments</b>
30 June	ECO launch at State Coal Mine - Wonthaggi	
3 July	Leongatha Chamber of Commerce - AGM - History Talk	
4 July	South Gippsland Safe Freight Meeting	
7 July	West Gippsland Regional Library Corporation Meeting	
17 July	Fish Creek Community Development Group – AGM	
18 July	Town and District Meeting at Korumburra	
24 July	Gippsland Regional Assembly	
26 July	Gippsland Agribusiness Conference	

### 9.3. COMMITTEE UPDATES

Nil

## 10. URGENT OR OTHER BUSINESS

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

### 1. Urgent Business

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

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

It is necessary for the Councillor wishing to raise a matter of urgent business to raise a motion similar to the following:

'That consideration of (the issue) be dealt with as a matter of urgent business and Councillor....be allowed a 'short period' to indicate the reason(s) why the matter should be considered as a matter of urgent business.' If the Chairperson accepts the motion as meeting the urgent business criteria, normal meeting procedures in Local Law No. 3 will apply.

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

### 2. Other Business

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

**Nil**

## **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 a Councillor. 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 a Councillor at a Public Presentation session speak briefly to its contents. At the following Ordinary Meeting of Council, a Councillor would accept the petition and introduce it to Council for formal noting and actioning by Council.

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

**Nil**

## **11.2. ANSWERS TO PREVIOUS QUESTIONS ON NOTICE**

This is an opportunity for the community members to ask questions, in accordance with clause 99 of the Local Law No. 3 2010. Members of the public addressing the Council must extend due courtesy and respect to the Council and must take direction from the Chair whenever called upon to do so.

Questions should be in writing and provided to the Council Business Department at South Gippsland Shire Council. If a response cannot be provided at the Meeting a response will be provided and included in the minutes of the next appropriate Ordinary Meeting of Council.

**Nil**

### **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.

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 23 May 2017.*

**Nil**

## **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.

**Nil**

### **13. MEETING CLOSED**

#### **NEXT MEETING**

The next Ordinary Meeting of Council open to the public will be held on Wednesday, 23 August 2017 commencing at 2pm in the Council Chambers, Leongatha.

**The Ordinary Council Meeting Closed at 3.36pm.**

**Confirmed this 23<sup>rd</sup> day of August 2017.**

  
.....  
**Mayor Cr Ray Argento**