



Ordinary Council Meeting Agenda

Tuesday 8 May 2018
Commencing at 7pm

Council Chamber
Hobsons Bay Civic Centre
115 Civic Parade, Altona

**HOBSONS
BAY CITY
COUNCIL**



HOBSONS BAY CITY COUNCIL

Ordinary Council Meeting Agenda

8 May 2018

THE COUNCIL'S MISSION

Working with our community to plan, deliver and advocate for the services and infrastructure that will achieve a healthy, connected and sustainable future in Hobsons Bay.

OUR VALUES

Respectful

Community driven and focused

Trusted and reliable

Efficient and responsible

Bold and innovative

Accountable and transparent

Recognised

Council acknowledges the peoples of the Kulin nation as the Traditional Owners of these municipal lands and waterways, and pay our respects to Elders past and present.

Chairperson:

Cr Angela Altair (Mayor)

Strand Ward

Councillors:

Cr Tony Briffa (Deputy Mayor)

Cherry Lake Ward

Cr Sandra Wilson

Cherry Lake Ward

Cr Peter Hemphill

Strand Ward

Cr Jonathon Marsden

Strand Ward

Cr Colleen Gates

Wetlands Ward

Cr Michael Grech

Wetlands Ward

Tammi Rose
Interim Chief Executive Officer
Hobsons Bay City Council

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Agenda

1 Council Welcome

The Chairperson will welcome members of the gallery and acknowledge the people of the Kulin Nation as the traditional owners of this land.

2 Apologies

3 Disclosure of Interests

In accordance with sections 77A, 77B, 78 and 79 of the *Local Government Act* 1989 Councillors are required to disclose a "conflict of interest" in a decision if they would receive, or could be reasonably perceived as receiving a direct or indirect financial or non-financial benefit or detriment (other than as a voter, resident or ratepayer) from the decision.

In accordance with section 79B of the *Local Government Act* 1989 Councillors who consider that they have a personal interest that is in conflict with their public duty in relation to a matter may, if they do not have a conflict of interest as described above, apply to Council to be exempted from voting on the matter.

Disclosure must occur immediately before the matter is considered or discussed.

4 Minutes Confirmation

Ordinary Council Meeting

Confirmation of the minutes of the Ordinary Council Meeting of the Hobsons Bay City Council held on 10 April 2018 (copy previously circulated).

Recommendation

That the minutes of the Ordinary Council Meeting of the Hobsons Bay City Council held on 10 April 2018 be confirmed.

5 Councillors' Questions

6 Public Question Time

Public question time provides an opportunity for the public to ask questions related to items on the agenda of the Council meeting or any other matter within Council's responsibility. Questions must be put in writing and received by 12 noon on the day of the Council meeting.

7 Petitions/Joint Letters

7.1 Petition - Request to Redevelop the HC Kim Reserve, Seaholme Clubrooms and Pavilion

Directorate: Infrastructure and City Services

Councillor Portfolio: Active and Inclusive Communities

Cr Michael Grech and Cr Peter Hemphill

Purpose

To receive a petition requesting Council to redevelop the Altona City Soccer Club clubrooms and pavilion at HC Kim Reserve, Seaholme.

Recommendation

That Council:

- 1. Receive and note the petition requesting Council to redevelop the Altona City Soccer Club clubrooms and pavilion at HC Kim Reserve, Seaholme.**
 - 2. Receive a further report in relation to this matter at a future Council Meeting.**
-

Summary

A petition, containing 395 signatures, requesting Council to redevelop the Altona City Soccer Club clubrooms and pavilion at HC Kim Reserve, Seaholme was received on 1 May 2018.

The prayer of the petition reads as follows:

The following petitioners respectfully request the Hobsons Bay City Council to redevelop the Altona City Soccer Club clubrooms and pavilion at HC Kim Reserve, Seaholme, noting the age and condition of the existing facilities, and the growing needs of soccer especially with Female teams competing at the club and the continued growth in the Men and Junior teams.

8 Business

8.1 Office of the Chief Executive

8.1.1 CEO Operations Report

Directorate: CEO's Office

Appendix: 1 1st Pink

Councillor Portfolio: Not applicable

Purpose

To provide Council with a regular update from the Chief Executive Officer (CEO) on the recent initiatives, projects and performance undertaken.

Recommendation

That Council:

1. **Receive and note the Chief Executive Officer's Report on Operations, including details of recent issues and initiatives undertaken by the organisation; and**
 2. **In accordance with section 80A(2) of the *Local Government Act 1989* incorporate into the minutes of this meeting the written records of Assemblies of Councillors held on 10 and 17 April and 1 May 2018.**
-

Summary

The attached CEO's Report on Operations provides councillors and community a regular update from the Chief Executive Officer on key initiatives, projects and performance.

Discussion

The purpose of this report is to inform Council and the community of recent issues, initiatives and projects undertaken across Council. The report is provided on a monthly basis.

Strategic Alignment

Council provides a wide range of services to the community of Hobsons Bay as well as developing and delivering outcomes to ensure community assets are maintained and the needs of the community are met. Each month this report will highlight these activities, initiatives and projects and provide a high level performance summary.

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 6: An accessible and connected community

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 4: A Council of excellence

- 4.3 Provide excellent customer service whilst ensuring all our communications are clear and easy to understand

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.2 Strategic Development

8.2.1 Amendment C88 Proposed Rezoning of Precinct 15 Altona North

Directorate: Strategic Development

Appendix: 2 1st Green

Councillor Portfolio: Planning
Cr Tony Briffa and Cr Michael Grech

Purpose

To present Council with the Panel Report for Amendment C88 for consideration and adopt the Amendment.

Recommendation

That Council:

1. In accordance with Section 27(1) of the *Planning and Environment Act 1987* consider and adopt the recommendations of the Amendment C88 Panel Report.
2. In accordance with Section 29 and 31(1) of the *Planning and Environment Act 1987* adopt Amendment C88 and submit documents generally in accordance with those attached, along with the prescribed information, to the Minister for Planning for approval.
3. Write to submitters to inform them of Council's decision to adopt the Amendment.

Summary

Precinct 15 in Altona North is the largest Strategic Redevelopment Area (SRA) in Hobsons Bay and one of the largest brownfield redevelopment sites in metropolitan Melbourne. Precinct 15 is 67 hectares in size or approximately half the size of the Melbourne Central Business District (Hoddle Grid). Precinct 15 represents an excellent opportunity to achieve an innovative planning outcome for Council and the community and Map One shows Precinct 15 as affected by Amendment C88.



Map One: Precinct 15 - Amendment C88 Area

Precinct 15 is a complex site with a number of planning and land use challenges. Fragmented land ownership, potential contamination, management of dwelling yields, a constrained transport and movement network, external and internal interface issues such as noise and vibration, the provision and delivery of services such as community facilities and management of infrastructure provisions through the development contributions framework are some of these challenges. Notwithstanding, the development of Precinct 15 can achieve a net community benefit and deliver an excellent outcome.

Since June 2016 Council has been working with the Victorian Planning Authority (VPA) to advance a planning scheme amendment to facilitate the land to be used for residential, commercial and community purposes. Council resolved to exhibit the amendment at the Ordinary meeting of Council in February 2017. The subsequent exhibition period attracted 103 submissions, which were then considered by a three person Planning Panel (the Panel) during November and December 2017. Council received the Panel Report on 22 February and was required, under Ministerial Direction 15, to make a decision on the amendment within 40 business days of receipt.

The Panel has made a number of conclusions relating to Amendment C88 and provided recommendations on how the amendment should proceed including changes to proposed planning controls.

Overall the Panel supported the use of the Comprehensive Development Zone (CDZ), Comprehensive Development Plan (CDP) and the Development Contributions Plan (DCP) advising that they are sound in use and contain appropriate discretionary requirements with a limited number of mandatory requirements.

It was acknowledged that the redevelopment of the site will impact on the surrounding road network. However there are mitigation measures proposed to minimise these impacts and the early construction of these measures was encouraged by the Panel.

An open space contribution of 7.1 per cent equating to 9.2 per cent of the Net Developable Area¹ (NDA) was considered appropriate by the Panel particularly given three hectares of the land at 2 Watson Street, South Kingsville is proposed to be transferred as open space once the West Gate Tunnel Project (WGTP) has been completed.

The Panel supported the proposed mandatory façade and buildings heights along the residential interfaces of Kyle Road and New Street, with an overall building height of three storeys. The remainder of the site was given preferred maximum heights of up to six storeys in the central area.

A soft cap of 3,000 dwellings was supported by the Panel however this was not seen as an upper limit but a trigger for further investigations into traffic, social and other impacts which could result in additional development contributions. To monitor this, a requirement for a suitable dwelling density and dwelling yield plan has been included in the planning controls.

The inclusion of a commercial/mixed use floor space area to develop a Neighbourhood Activity Centre (NAC) and deliver a 20 Minute Neighbourhood as outlined in Plan Melbourne the Panel supported.

The Panel also mandated that five per cent of dwellings should be contributed for affordable housing, at a 25 per cent discount of the market value. The Panel has moved the requirement for affordable housing from the CDP to the CDZ strengthening its statutory weight within the planning scheme.

¹ Net Developable Area is the amount of land available for development of housing and employment buildings, minus community facilities, open space, arterial roads and encumbered land.

A 1,713sqm community facility (including outdoor area) located on 0.5 hectares of land was supported by the Panel and this includes a development contribution of \$6.5 million.

Amendment C88 has been through a comprehensive planning process and subject to the recommendations outlined in the Panel Report it is recommended that the amendment be adopted by Council and forwarded to the Minister for Planning for approval.

Background

The Hobsons Bay Industrial Land Management Strategy 2008

The Industrial Land Management Strategy (ILMS) assessed all industrial land in Hobsons Bay and identified 22 precincts. Each parcel of land within each of the precincts was then classified as one of three categories:

- Core Industrial Area
- Secondary Industrial Area
- Strategic Redevelopment Area (SRA)

Precinct 15 within the ILMS was predominantly identified as an SRA, potentially suitable for residential and mixed use development, subject to the resolution of a number of matters such as contamination, traffic, noise and vibration. Land at 248 to 268 and 232 to 246 Blackshaws Road, Altona North (Former Don Smallgoods and Apollo Engineering) was identified as a Secondary Industrial Area as it was still being used for industrial purposes. These operations have ceased and therefore the entire area is considered as suitable for rezoning.

Precinct 15

Precinct 15 is a 67 hectare site bounded by Blackshaws Road, New Street, Kyle Road and the West Gate Freeway in Altona North and South Kingsville. The majority of Precinct 15 is within the Industrial 1 Zone (IN1Z) while a number of smaller properties along New Street are within the Industrial 3 Zone (IN3Z). Land at 40-68 Kyle Road is also affected by Heritage Overlay – Schedule 166: Gilbertsons Meat Processing Complex (Former) (HO166). It is noted that the ILMS identified land at 65 – 69 Kyle Road as part of Precinct 15, however the proposed amendment does not affect this site.

Amendment C88 initial application

On 27 March 2015 Council received an application to amend the Hobsons Bay Planning Scheme. The application requested Precinct 15 be rezoned to the Residential Growth Zone (RGZ) with an associated Mixed Use Zone (MUZ) at 200 – 214 Blackshaws Road. The application also proposed to apply a Development Plan Overlay (DPO), Development Contributions Plan Overlay (DCPO) and Environmental Audit Overlay (EAO) and remove Heritage Overlay (HO166) from the site.

The initial application proposed approximately 3,000 dwellings, heights up to four storeys on the interfaces through to eight storeys in the remainder of the area, a 1.3 hectare Neighbourhood Activity Centre, a 1,500sqm community facility on a 0.4 hectare site located within the open space and 4.98 hectares of open space with a central reserve of 2.94 hectares.

Further information requested

Following the application Council officers worked through the amendment documentation including obtaining peer reviews of technical reports, internal and external workshops with various stakeholders (i.e. VicRoads and Public Transport Victoria) before providing a Request for Further Information (RFI) in October 2015. The key matters raised in the RFI included management of contamination, traffic and transport impacts, acoustic and vibration

attenuation, consideration of pipelines and uncertainty around proposed built form outcomes. The applicant and Council began working through this in early 2016.

The Victorian Planning Authority

In June 2016 the Victorian Planning Authority (VPA) began facilitating discussions between Council and the developers to resolve the matters raised in the RFI and revise the planning scheme amendment package.

On 21 October 2016 the VPA provided Council with an updated amendment package which superseded the initial application. Between October and January further refinements were made to the documents and on 14 February 2017 an amendment package was presented to Council for consideration.

Amendment Package Presented to Council

The Amendment presented to Council at the Ordinary Council Meeting 14 February 2017 proposed to:

- rezone the land from Industrial 1 Zone (IN1Z) and Industrial 3 Zone (IN3Z) to Comprehensive Development Zone (CDZ2) and except for the Brooklyn Terminal Station which is proposed to be rezoned to Special Use Zone (SUZ6)
- introduce Schedule 2 to Clause 37.02 Comprehensive Development Zone
- introduce Schedule 6 to the Special Use Zone (SUZ6)
- introduce Schedule 2 to Clause 45.06 Development Contributions Plan Overlay (DCPO2)
- apply the Environmental Audit Overlay (EAO) to all but two properties in the amendment area
- amend the Planning Scheme map to delete the Heritage Overlay (HO166) from the former Gilbertson Meatworks site
- delete the entry for HO166 in the Schedule to Clause 43.01 Heritage Overlay
- insert a new entry in the Schedule to Clause 52.01 requiring 8.7 per cent of the land (or cash equivalent as relevant) to be contributed as public open space at subdivision
- insert a new row in Schedule 4 to Clause 52.28 to prohibit gaming machines in the town centre
- include maps 3DCPO and 4DCPO in the list of planning scheme maps at Clause 61.03
- incorporate the *Altona North Comprehensive Development Plan February 2017* and the *Altona North Development Contributions Plan February 2017* by listing them in the Schedule to Clause 81.01

The revised application presented to Council proposed approximately 3,000 dwellings with three to six storey maximum heights (three storeys along the New Street and Kyle Road interfaces). An 8.7 per cent open space contribution equating to 4.75 hectares (with a centralised open space area of 3.15 hectares) and a 1,753sqm community facility on a 0.5 hectare site. The proposed Neighbourhood Activity Centre measured 4,500sqm including a 3,200sqm supermarket with an additional 7,000sqm of commercial floor space. The DCP included approximately \$34 million work of works including a road network that caters for active and public transport.

At the Ordinary Council Meeting held on 14 February 2017 Council resolved to seek authorisation to prepare and exhibit Amendment C88 to the Hobsons Bay Planning Scheme.

Authorisation

Council received conditional authorisation (see appendix) on 16 March 2017 that required Council to:

- submit written correspondence from the Western Distributor Authority (WDA) that the proposed amendment would not impact on the final alignment of the West Gate Tunnel Project (WGTP)
- amend the CDZ in accordance with the tracked changes provided by Department of Environment, Land, Water and Planning (DELWP)
- amend the DCPO in accordance with the comments provided by DELWP
- amend the SUZ6 to clarify what an appropriate interface is adjacent residential development and include decision guidelines

Following the 14 February Council Meeting, the Victorian Government released further details about the WGTP including plans to compulsorily acquire four hectares of land at 2 Watson Street, South Kingsville (located in the north-east corner of Precinct 15). Map Two shows 2 Watson Street and the land required for the WGTP.



Map Two: 2 Watson Street – Land Required for West Gate Tunnel Project

The proposed acquisition of 2 Watson Street had implications on Amendment C88 particularly calculations contained within the DCP, DCPO and the open space requirements of Clause 52.01. It was considered that 2 Watson Street, should be retained as part of Amendment C88 in the event that the WGTP did not proceed and as a result the documents and figures were updated accordingly.

Further to this updated valuations of the land and revised costings for the required infrastructure works were also included to provide more accurate estimates. The total costings were still apportioned at 100 per cent to the developer however the changes resulted in the DCP and DCPO being increased from approximately \$34 million in works to approximately \$53 million. In addition, the open space requirements under Clause 52.01 increased from 8.7 per cent of the net developable area to 9.2 per cent to reflect the acquisition of 2 Watson Street.

During this time the VPA advised Council that the business floor area as mapped in the CDP had been calculated incorrectly and should be 33,000sqm instead of 7,000sqm.

To satisfy the conditions of authorisation the updated documents were provided to the WDA who advised Council on 6 June 2017 that the proposed amendment would not impact on the likely final alignment of the WGTP. Following this Council received a letter from DELWP on 7 June also confirming that the changes addressed the conditions of Authorisation.

Exhibition

Under the *Planning and Environment Act 1987* Council is required to exhibit, an Amendment for one month after notice is placed in the Government Gazette. It is Council's standard practice to exhibit planning scheme amendments for a period of six weeks, however given the significant nature of this project, Amendment C88 was exhibited for eight weeks between 6 July 2017 and 1 September 2017. During the exhibition period Council received a total of 103 submissions.

A detailed list of submissions and responses was provided to Council at the Ordinary Council Meeting 10 October 2017. The most common issues raised by residents related to:

- the proposed 3,000 dwellings being considered an overdevelopment
- the traffic associated with 3,000 dwellings
- the loss of neighbourhood character
- lack of services and infrastructure such as education facilities
- not enough open space and concern over the type of open space being provided (passive versus active)

Traffic was overwhelmingly the main concern raised by the community with a particular emphasis on rat running and congestion along Blackshaws, Millers and Melbourne Roads that would impact on access to the freeway and the ability to move across the northern part of Hobsons Bay.

Landowners within Precinct 15 also raised concerns with the amendment submitting concerns relating to:

- the commercial / business area being too large
- mandatory heights across all the precinct
- the mechanisms to implement the affordable housing component
- too much open space
- the community centre being too large and not the sole responsibility of developers (particularly if the existing community is going to use)

Further to this, a number of the landowners provided non-specific submissions that reserved the right to comment on a range of issues.

At the Ordinary Council Meeting on 10 October 2017 Council resolved to:

1. Consider the submissions made in response to the exhibition of Amendment C88.
2. Having considered the submissions request the Minister for Planning to appoint an independent Planning Panel under section 23 of the *Planning and Environment Act 1987* to consider the submissions.

3. Write to all submitters advising them of Council's decision to refer submissions to a panel and continue to work with submitters to clarify and resolve outstanding issues where possible.
4. Present a submission generally in accordance with the position in the 14 February 2017 Council Report and appendices, and the position in the appendix to this report, at a Panel Hearing.

Following the Council resolution on 10 October 2017, officers wrote to the Minister for Planning requesting a Planning Panel be appointed.

Discussion

Planning Panel and Expert Witnesses

The Minister for Planning appointed a Planning Panel on 12 October 2017 and a Directions Hearing was held on 2 November 2017. The Panel Hearing ran for 12 days between 20 November 2017 and 14 December 2017. Council and all the submitters were provided with the opportunity to present at the Panel Hearing and provide expert witness statements.

Overall 18 expert witness reports discussing a broad range of issues were presented to Panel and this included reports from the seven expert witnesses engaged by Council. Council engaged experts to provide evidence on the following matters:

- traffic (local impacts)
- traffic (cumulative impacts)
- affordable housing and development contributions
- town planning
- urban design
- community infrastructure
- open space

Further to Council's experts the VPA also engaged three witnesses on:

- traffic
- community infrastructure
- economics

While landowners called eight expert witnesses on:

- traffic
- economics (x4)
- town planning (x2)
- buffer constraints

To assist the Planning Panel in the process two conclaves of related experts were called to meet including traffic and economics.

Prior to the traffic conclave, updated traffic counts were undertaken and presented to the experts to reflect anticipated changes as a result of the WGTP. These included the proposed truck bans along Blackshaws and Hudsons Roads and the impact that this may have on the amendment.

Utilising the updated data the conclave of traffic experts reached a consensus agreeing that approximately \$1.1 million in new or additional funding for traffic related projects should be provided including:

- \$40,000 for frontage works along Blackshaws Road (identified as project RD-4C in the DCP)
- \$590,000 for the development and implementation a Local Area Traffic Management Plan (identified as project RD-5C in the DCP)
- an additional \$475,000 for upgrades to the Millers Road and Blackshaws Road intersection including a second north bound, right turning lane from Blackshaws Road into Milers Road (identified as project (IN-7C in the DCP)
- \$40,000 for upgrades to the Blackshaws Road and Kyle Road / Mills Street intersection (identified as project IN-8C in the DCP)

The conclave also recommended removing the proposed works for the Blackshaws Road / Schutt Street intersection and Melbourne Road / Ross Street intersections. These works cannot be fully attributed to the redevelopment of Precinct 15 and should be considered during the planning process for Precinct 16. Consequently they were not costed as part of the exhibited DCP.

These outcomes were supported by the Panel as outlined in Recommendation 4 of the Planning Panel Report. The Panel Report is provided as an appendix.

Four of the five economic experts met to discuss the expected demand for office floor space within the precinct. The exhibited documents had anticipated that 33,000sqm of office floor space would be required based on advice from the VPAs expert witness, Mr Henshall. In providing his evidence Mr Henshall acknowledged that this figure was a gross area as opposed to a gross leaseable floor area and that as a consequence this should be reduced to 26,400sqm.

Despite the reduction of this figure, the level of demand for office floor space varied significantly between the experts ranging from 1,300sqm to 26,400sqm.

At the conclave three of the experts agreed that 5,000-10,000sqm of office floor space could be supported while Mr Henshall maintained his support for 26,400sqm.

The Hobsons Bay Activity Centre Technical Report (December 2016) forecasts that somewhere between 8,760sqm and 27,820sqm of additional office floor space will be required in Hobsons Bay between 2014 to 2036 with these calculations based on the entire municipality, not just Precinct 15.

Planning Panel Recommendations, Conclusions & Response

The Planning Panel Report was received by Council on 22 February 2018 and included 13 recommendations. During the Panel Hearing several versions of the proposed planning controls were prepared and submitted for consideration. The Panel based some of their recommendations on the VPA's final version of the CDZ and CDP which was submitted to the Panel and substantially the same as Council's position. Detailed discussion on each recommendation is provided in an appendix however the Panel's recommendations and a brief response are provided below:

1. Adopt the Victorian Planning Authority version of the Comprehensive Development Plan (Document 79), subject to the changes made by the Panel as shown in Appendix C2, and other specific recommendations provided in this report.

Council Response: Support – throughout the Panel Hearing as information was presented and discussed, numerous changes were proposed and made to the CDP. As part of the process council officers provided an updated CDP that sought to ensure the controls are robust, provide greater clarity and avoid duplication. The version prepared and presented by the VPA (Document 79) was generally consistent with the council officer version.

2. Adopt the Victorian Planning Authority version of Schedule 2 of the Comprehensive Development Zone (Document 78), subject to the changes made by the Panel as shown in Appendix D2, and other specific recommendations provided in this report.

Council Response: Support – throughout the Panel Hearing as information was presented and discussed, numerous changes were proposed and made to the CDZ. As part of the process council officers provided an updated CDZ that sought to ensure the controls are robust, provide greater clarity and avoid duplication. The version prepared and presented by the VPA (Document 79) was generally consistent with the council officer version.

It was a Panel recommendation to remove all reference to Clauses 54 and 55 which refer to Rescode requirements. In the Planning Scheme, description of where the provisions of Clauses 54 and 55 apply does not include the Comprehensive Development Zone. It is therefore considered that reference to these Clauses should remain.

3. Review the provisions and schedules of Amendment C88 during finalisation of the Amendment to ensure they are consistent with the *Ministerial Direction on the Form and Content of Planning Schemes* (May 2017).

Council Response: Support – under the *Planning and Environment Act 1987* all amendment documentation must be consistent with the Ministerial Direction of Form and Content. The Ministerial Direction was updated in December 2017 and consequently the documentation for Amendment C88 will need to be updated accordingly. Officers will finalise the documents in line with the form and content prior to submitting the amendment for approval.

4. Amend the exhibited Development Contributions Plan as follows:
 - a) Blackshaws Road – Frontage Works – increase from \$30,000 to \$50,000
 - b) Local Area Traffic Management Study and Implementation – increase from \$118,000 to \$590,000
 - c) Blackshaws Road and Millers Road – Works – increase from \$472,550 to \$500,000
 - d) Blackshaws Road/Kyle Road/Mills Street – Construction – increase from \$20,000 to \$40,000
 - e) Blackshaws Road/Schutt Street – delete the item from the Development Contributions Plan
 - f) Melbourne Road/Ross Street – delete the item from the Development Contributions Plan.

Council Response: Support – Council's traffic experts supported the additional funding and works proposed as part of the traffic conclave. The items proposed under recommendations 4a, b, c and d were not funded prior to the Panel Hearing and result in approximately \$1.1m of additional funding. Council has been begun preparing the Local Area Traffic Management Study (LATM) as recommended by the Panel. An LATM will look at the fine grain details and allow Council to assess the existing conditions and plan for the future.

5. Amend the Comprehensive Development Plan as follows:

- a) Amend Plan 1 (Future Urban Structure) by deleting the 'commercial/mixed use area' from Property 8 north of the community facility and consolidating it with the internal residential sub-precinct.
- b) Amend Plan 1 (Future Urban Structure) to add the gateway locations.
- c) Amend Plan 3 (Altona North Local Town Centre Concept Plan) by deleting the 'commercial/mixed use area' from Property 8 north of the community facility and consolidating it with the internal residential sub-precinct.

Council Response: Support – Panel supported a reduced commercial /mixed use floor area of 10,000sqm of office floor space based on the economic conclave. The proposed changes are consistent with Council's Activity Centre Technical Report (December 2016) and the concept of a 20 minute city as outlined in Plan Melbourne 2017-50. These changes are required to ensure the amendment documents are consistent with the reduction in the commercial floor space as discussed at the economic conclave. The inclusion of the 'gateway locations' identified at Recommendation 5b is supported to provide clarity.

6. Amend Map 1 of Schedule 2 to the Comprehensive Development Zone by deleting the 'commercial/mixed use area' from Property 8 north of the community facility and consolidating it with the internal residential sub-precinct.

Council Response: Support – the proposed change is required as a result of Recommendation 5 and the reduction in the commercial floor space as discussed during the economic conclave.

7. Delete 9.2 per cent and replace it with 7.1 per cent in the Schedule to Clause 52.01 (Public open space contribution and subdivision).

Council Response: Support – The open space contribution is only intended to be a proportion of the provision of open space. It is not the responsibility of the applicant to meet the demand for open space generated beyond Precinct 15 and although Council sought a 10 per cent open space contribution, the Panel recommended this be reduced to 7.1 per cent of the total area (equating to 9.2 per cent of the net developable area). As part of the WGTP it is proposed that the land at 2 Watson Street will be acquired, however three hectares will be returned to the community as public open space once construction has been completed. The Panel determined that this would provide some benefit to the community and would be in addition to the 7.1 per cent.

While the 7.1 per cent open space contribution appears to be a reduction in the overall open space being provided it is consistent with the size and location of the credited² open space identified in the exhibited CDP. If the credited and uncredited open space is combined a total of 13.2 per cent of the site will be open space.

8. Amend the preamble of Clause 21.03-1 with:

A small supermarket-based Neighbourhood Activity Centre and mixed use/commercial area is planned at the former industrial Precinct 15 in Altona North.

Council Response: Support (with changes) – Amendment C88 is a significant SRA in Hobsons Bay and should be reflected within the Municipal Strategic Statement (MSS). Clause 21.03-1 of the Hobsons Bay Planning Scheme relates to Activity Centres and the

² Credited open space is open space that is free of encumbrances and of a quality that Council can consider crediting towards the contribution of open space. Uncredited open space has encumbrances and is not considered to contribute towards the provision of open space.

creation of a new Neighbourhood Activity Centre should be acknowledged within the MSS. Council is currently in the process of preparing an Activity Centre Strategy which will include a hierarchy of centres. Prior to the completion of the Activity Centre Strategy and hierarchy it is proposed that the wording be amended to read '*A supermarket-based Neighbourhood Activity Centre and mixed use/commercial area is planned at the former industrial Precinct 15 in Altona North*'.

9. Amend Map 1 of Clause 21.03-1 by identifying the planned Neighbourhood Activity Centre and mixed use/commercial area at Precinct 15.

Council Response: Support – Amendment C88 is a significant SRA in Hobsons Bay and should be reflected within the MSS. Clause 21.03-1 of the Hobsons Bay Planning Scheme relates to Activity Centres and the creation of a new Neighbourhood Activity Centre should be acknowledged within the MSS.

10. Amend the Application of zones and overlays in Clause 21.03-2 by adding:

Apply the Comprehensive Development Zone, based on a Comprehensive Development Plan, for Precinct 15 in Altona North to transition it to a residential/mixed use Precinct.

Council Response: Support – Amendment C88 is a significant SRA in Hobsons Bay and should be reflected within the MSS. Clause 21.03-2 of the Hobsons Bay Planning Scheme relates to Strategic Redevelopment Areas and as the largest SRA the transition of Precinct 15 should be acknowledged in the MSS.

11. Amend Map 2 of Clause 21.04 by identifying the planned open space areas in Precinct 15.

Council Response: Support – Amendment C88 is a significant SRA in Hobsons Bay and should be reflected within the MSS. Clause 21.04 of the Hobsons Bay Planning Scheme relates to open space and includes a map outlining open space across Hobsons Bay. The inclusion of 8.85 hectares (encumbered and unencumbered) open space is a significant addition to Hobsons Bay and should be acknowledged in the MSS.

12. Amend Map 3 of Clause 21.08 by identifying Precinct 15 fully within the strategic redevelopment area by partly deleting the secondary industrial area.

Council Response: Support – Amendment C88 is a significant SRA in Hobsons Bay and should be reflected within the MSS. Clause 21.08 of the Hobsons Bay Planning Scheme relates to Economic Development and includes a map of industrial areas. Soon after Amendment C33 was adopted, Don Smallgoods and Apollo Engineering closed down creating the opportunity for the entirety of Precinct 15 to become an SRA. The proposed rezoning of Precinct 15 should be acknowledged in the MSS.

13. Amend the Schedule to Clause 66.06 by inserting the following provision:

Clause	Kind of application	Person or body to be notified
37.02 Schedule 2	<p>To use and develop land within 450 metres of the South Melbourne to Brooklyn (PL108) gas transmission pipeline or the Altona to Somerton (PL118) fuel pipeline for:</p> <ul style="list-style-type: none"> residential aged care child care centre education centre 	<p>Operators and Licencees authorised under pipeline licence Nos PL108 (Brooklyn to South Melbourne Licensed Pipeline) and PL118 (Somerton to Altona Licensed</p>

Ordinary Council Meeting Agenda

Clause	Kind of application	Person or body to be notified
	<ul style="list-style-type: none"> place of assembly 	Pipeline)
37.02 Schedule 2	<p>To subdivide land within 60 metres of the South Melbourne to Brooklyn (PL108) gas transmission pipeline or the Altona to Somerton (PL118) fuel pipeline for:</p> <ul style="list-style-type: none"> residential aged care child care centre education centre place of assembly 	<p>Operators and Licencees authorised under pipeline licence Nos PL108 (Brooklyn to South Melbourne Licensed Pipeline) and PL118 (Somerton to Altona Licensed Pipeline)</p>

Council Response: Support – the inclusion of the pipeline authorities at Clause 66.06 is supported as this will provide clarity and greater certainty within the Hobsons Bay Planning Scheme and ensure the appropriate authorities are notified when required.

In addition to the Recommendations, the Panel provided a commentary on a number of issues. A summary of the conclusions and a response is provided below:

Planning Controls

Panel: The use of the CDZ, CDP and DCP is sound and provides appropriate discretionary requirements with a limited number of mandatory requirements.

Council Response: Support – the proposed CDZ, CDP and DCP are the appropriate planning controls for Precinct 15.

Traffic

Panel: Concluded that redevelopment will impact on the surrounding road network and the proposed mitigation measures should be constructed early. The preservation of a future north-south link into Maribyrnong is considered warranted however the need for a north-south link cannot be directly attributed to the redevelopment of Precinct 15 and not funded as part of the DCP.

Council Response: Support – Council is currently undertaking a Local Area Traffic Management Study (LATM) that will identify traffic mitigation measures. The DCP provides \$590,000 of funding to develop and implement the LATM. The need for a north-south link cannot be directly attributed to the redevelopment of Precinct 15, however the preservation of the north-south link allows for this option to be explored at a later date.

Open Space

Panel: Recommended an open space contribution of 7.1 per cent (equating to 9.2 per cent of the NDA). Following the completion of the West Gate Tunnel Project (WGTP) an additional three hectares of the land at 2 Watson Street, South Kingsville is proposed to be transferred as open space.

Despite the amenity constraints the Panel determined that this would provide some benefit to the community and that any park land at 2 Watson Street should not be considered as a contribution to public open space provided by the development of Precinct 15.

The Panel was concerned that Council had 'reversed engineered' the requested 10 per cent based on the 2005 Open Space Strategy (OSS) and had worked back from that starting point. As a consequence the Panel suggested that Council should progress the review of the OSS.

Council Response: Support – although Council sought a 10 per cent open space contribution, the Panel recommended this be reduced to 7.1 per cent of the total area and while this may appear to be a reduction in the overall open space being provided, it is consistent with the size and location of the credited open space identified in the exhibited CDP.

As part of the WGTP it is proposed that the land at 2 Watson Street will be acquired, however three hectares will be returned to the community as public open space once construction has been completed. The proposed open space at 2 Watson Street forms part of the WGTP and details of future ownership and ongoing maintenance or requirements associated with the land are yet to be formalised.

During the Panel Hearing Council advocated for a minimum of 10 per cent open space, however this is an unprecedented contribution in metropolitan Melbourne. Council are able to acquire land to add to the open space provision through a Council resolution. Any land acquisition would need to be negotiated with a landholder and would be priced at the market rate.

Since the final day of the Panel Hearing, Council has progressed the review of the OSS with public consultation occurring between 15 December 2017 and 23 February 2018.

Mandatory Heights

Panel: Mandatory heights should be discretionary except along the residential interfaces of Kyle Road and New Street where the façade and building heights should be mandatory.

Council Response: Support – The residential development along Kyle Road and New Street are considered the most sensitive interfaces and mandatory heights are supported in this area. Although residential development is also located along Blackshaws Road, this road is controlled by VicRoads and is not considered a 'residential street'. Although the six storey height limit proposed for the centre of Precinct 15 is discretionary, any development proposal that exceeds six stories will require justification and will require notification. Any development in excess of six storeys is also likely to trigger justification that it will not contribute to an exceedance of the 3,000 dwelling cap.

Dwelling Cap

Panel: The expert reports prepared as part of Amendment C88 were prepared on the basis of 3,000 dwellings being constructed in Precinct 15, however this does not preclude development exceeding 3,000 dwellings. If dwelling numbers exceed 3,000, the Panel requires applicants to submit additional reports assessing the impacts on traffic, community facilities and other infrastructure. To assist in determining if the 3,000 cap is going to be exceeded, a requirement for a suitable dwelling density and dwelling yield plan have been included in the planning controls.

Council Response: Support – A suitable dwelling density and dwelling yield plan will allow Council to track development in Precinct 15 to ensure it is 'on track' to meet the anticipated 3,000 dwellings. There is a risk to Council that a reduction in the number of dwellings (i.e. 2,500 dwellings) would result in a funding shortfall to projects in the Development Contribution Plan (DCP). Any shortfall would need to be paid for by Council, removed from the DCP or returned (if the funding had already been collected for a specific project). Similarly if the redevelopment exceeds 3,000 dwellings additional projects may be required. The dwelling density and dwelling yield plan will ensure Council can track the progress of redevelopment and the collection of developer contributions.

Neighbourhood Activity Centre

Panel: An area of 10,000sqm of new commercial office floor space should be included to compliment the town centre and residential community. [This refers to the Panel recommendation to reduce the size of the commercial floor space from 30,000sqm to 10,000sqm]

Council Response: Support – The Neighbourhood Activity Centre (NAC) and commercial / mixed use area is a critical component of Amendment C88 and assists in delivering a 20 minute neighbourhood (as outlined in Plan Melbourne), facilitates active transport usage (walking and cycling), facilitates employment opportunities and creates a focal point for the future community.

Council did not engage an economic expert to justify the size of the commercial floor space rather utilised the expertise of the planning expert to advocate for its inclusion. Council's planning expert emphasised the importance of the 20 minute neighbourhood (as outlined in Plan Melbourne) and supported the need for as much local employment to be provided on site as possible. Council's planning expert support the retention of a business area however acknowledged the difficulty in realising office based jobs on the site particularly at the identified scale of 33,000sqm.

This position also aligns with the Hobsons Bay Activity Centre Technical Report (December 2016) that forecasts somewhere between 8,760sqm and 27,820sqm of additional office floor space would be required in Hobsons Bay 2014-36. These calculation were based across the municipality, not just Precinct 15. Consequently a 10,000sqm commercial / mixed use area is supported.

Affordable Housing

Panel: Victoria has no state wide framework for dealing with affordable housing however the Panel acknowledge this is a key social and economic issue with a policy framework being developed by the Victorian government. In the absence of state policy the Panel proposes a five per cent affordable housing contribution at a 25 per cent discount and that this be included in the CDZ (as opposed to the CDP).

Council Response: Support – Council has previously included affordable housing provisions in the planning scheme through the rezoning of (part) Precinct 13 and (part) Precinct 16, however these do not refer to a specific quantum of affordable housing or a mechanism for implementation. The proposed affordable housing provision not only mandates a five per cent contribution (at a 25 per cent discounted rate) within the CDZ, it also provides a mechanism in how to implement the requirement. This ensures that five per cent of the dwellings constructed will be offered to Council, a registered Housing Association or, if established the Hobsons Bay Housing Trust with at 25 per cent discount to the market rate e.g. a property valued at \$500k would be offered at \$375k. Where Council, a registered Housing Association or, if established the Hobsons Bay Housing Trust do not purchase a property, a cash in lieu contribution will be required.

Council officers have been working with the VPA to finalise documents for adoption. Under the 'provision of affordable housing' within the Comprehensive Development Zone, the VPA suggest the valuation of a house in Altona North should be derived from the Victorian Valuer-General in A Guide to Property Values rather than the Real Estate Institute of Victoria (REIV). Although with further investigation this method has been considered to be sound, the use of a valuation method was not discussed or considered at the Panel hearing. Therefore, in the interests of procedural fairness officers recommend proceeding with the Panel recommendation of using REIV.

Community Facility

Panel: The provision of a new community facility is an important element of Precinct 15 and the location was not in dispute. The Panel was reluctant to recommend changes to the DCP on this matter and considers the full apportionment of a 1,753sqm facility on 0.5 hectares of land in the DCP as reasonable.

Council Response: Support – Council's expert on Community Infrastructure determined that Council would require a 2,550sqm community facility comprising a 1,260sqm indoor area and 1,290sqm outdoor area on 0.5ha of land. Notwithstanding this Council's expert only apportioned 0.38 hectares of the required land to the developer and as such, Council would be required to purchase the remaining 0.12 hectares of land.

The allocation of the 0.5 hectares of land in the DCP and smaller community facility (913sqm indoor area and 800sqm outdoor area) is supported as it will allow Council to construct a larger facility if required at a later stage. It will also negate the need for Council to fund the purchase of the additional land.

Other Matters

Panel: Other matters about site contamination, drainage, utility services, protection of major pipelines, noise, vibration, dust and odour are acknowledged, are manageable and can be appropriately addressed and mitigated.

Council Response: Support – The other issues raised are either dealt with through the application of planning controls or can be dealt with at the planning permit stage.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 1: Visionary, vibrant, accountable urban planning

Priority 2: Community wellbeing and inter-connection

Priority 4: Proactive enrichment, expansion and conservation of the natural and urban environment

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 1: An inclusive and healthy community

- 1.1 Provide access to high quality services that enhance community health and wellbeing
- 1.3 Ensure all community members will have access to quality community, sport and recreation facilities, cultural experiences and open spaces to encourage a healthy and active lifestyle

Goal 2: A great place

- 2.1 Protect and promote public health and community safety
- 2.3 Support the growth of our local economy, and encourage business investment that creates and maintains local jobs

- 2.5 Work with all levels of government and other stakeholders to improve our transport network and to address gaps and capacity in public transport, our roads, foot paths and cycle routes

Goal 3: A well designed, maintained and environmentally sustainable place

- 3.1 Work with all levels of government, key stakeholders and the community to ensure urban development is appropriate and considers neighbourhood character and heritage
- 3.2 Deliver and maintain well-designed, accessible and environmentally sustainable community assets

Goal 4: A Council of excellence

- 4.1 Collaborate with all levels of government, service providers, not for profit organisations and the private sector to address the concerns of our community
- 4.4 Actively seek the community's views by providing a range of opportunities for the community to contribute to Council's decision making

Policy and Previous Council Reports

Following the approval of Amendment C33 to introduce the ILMS as a Reference Document in the Hobsons Bay Planning Scheme Council has considered Precinct 15 and / or Amendment C88 on numerous occasions.

On 3 August 2010 Council resolved to request an Advisory Committee to develop an ODP and future planning framework for Precinct 15. On 14 December 2010 Council received and noted draft terms of reference for an Advisory Committee. On 13 December 2011 Council noted a structure planning process for Precinct 15 with the then landowners and Department of Transport, Planning and Local Infrastructure (DTPLI). On 15 December 2015 Council resolved to continue to work through the amendment process for the amendment which included the proponent satisfactorily responding to Council's RFI.

Since then, Council has been briefed by Council officers and the VPA on a number of occasions. Council considered the amendment at the 14 February 2017 Ordinary Council Meeting and resolved to seek authorisation to prepare and exhibit the Amendment.

During the exhibition period Council received 103 submissions and on the 10 October 2017 Council considered these submissions and resolved to request the appointment of an independent Planning Panel.

Council considered the recommendations of the Amendment C88 Planning Panel Report at the Ordinary Council Meeting of 10 April 2018 and resolved to defer the report to the 8 May 2018 Council meeting to enable further Council consideration.

The planning and redevelopment of the amendment land implements the ILMS and achieves the Victorian Government's objective of urban consolidation as per Plan Melbourne. The proposed amendment incorporates aspects of a number of Council policies including Council's sustainability policies, the Affordable Housing Policy Statement (2016), Open Space Strategy (2005), Draft Open Space Strategy (2017) and Council Problem Gaming on EGM Policy Statement (2015) by including more sustainability provisions, an affordable housing provision and prohibiting gaming on the precinct.

Legal/Statutory Obligations/Risk

Council is the planning authority and responsible for the proper planning of Precinct 15 as stipulated under the Planning and Environment Act 1987. Throughout the planning process with the VPA, Council officers have consistently sought legal advice on technical matters to inform decisions and on how best to progress the amendment.

Financial and Resource Implications

The rezoning and redevelopment of Precinct 15 will have significant resource and financial implications for Council. Precinct 15 is expected to be developed over the next 20 years and the rezoning of the land will result in additional planning permit applications over this timeframe.

Further to this, the amendment includes provision of a DCP and this will require resources to ensure the delivery of infrastructure. The DCP for Precinct 15 is approximately \$54 million and its management is a critical risk for Council when planning the redevelopment of this site. The Victorian Government has a stringent reporting framework associated with DCPs and Council must be able to demonstrate it is using the contributions for the intended purposes.

Council's development contributions expert flagged the potential risks associated with the DCP identifying that there is a possibility that Council will need to modify the design and specification for various infrastructure projects cited in the DCP to reflect new technologies and changing needs. Council was advised that it should have the flexibility to make these adjustments without exposing itself to the risk of technical failure to deliver projects as specified in the DCP. Such technical failure could mean that, at the expiry of the DCP, Council would be required to return funds for the projects in question.

Alternatively Council may need to provide infrastructure before contributions are collected and this could impact on Council resources. Council could manage this risk by applying a present value discounting method with a suitable discount rate reflecting the uncertainty of development timing or by applying a year on year development release schedule that is linked to the staged delivery of planned infrastructure projects. In this situation an applicant wishing to run ahead of the scheduled timing would be required to financially compensate Council for having to bring forward the requisite infrastructure.

To this extent suitable wording could be included in the DCP signalling that Council will reserve the right to modify the DCP and further develop planned infrastructure projects.

Environmental/Social/Economic Impacts

An important element of Council's vision for the redevelopment of Precinct 15 is the achievement of high standards in both environmental sustainability and affordable housing for vulnerable community members. The attainment of these objectives through the careful management of future land use and built form will deliver positive environmental outcomes.

Consultation and Communication

Consultation was carried out in line with the *Planning and Environment Act 1987* and the Council's Community Engagement Framework.

Under the *Planning and Environment Act 1987* Council is required to exhibit an amendment for one month after notice is placed in the Government Gazette. It is Council's standard practice to exhibit planning scheme amendments for a period of six weeks however given the significant nature of this project, Amendment C88 was exhibited for eight weeks between 6 July 2017 and 1 September 2017.

As part of the exhibition process documents were placed at the Hobsons Bay Civic Centre, Council's libraries, on the Participate Hobsons Bay webpage and Council's 'Greenlight' planning portal. The Amendment was also available on the DELWP website and the VPA's website.

Notification of the Amendment was sent to over 5,000 owners, occupiers and relevant authorities between 29 June and 6 July 2017.

Notice of the Amendment was placed in the Star Weekly Newspaper on 5 July 2017 and the Victorian Government Gazette on 6 July 2017. Following this, half page newspaper advertisements were placed in the Star Weekly newspaper on 12 July, 19 July, and 2 August 2017. Furthermore, a quarter page advertisement appeared in the Star Weekly Newspaper on 9 August 2017.

An article was also included in the Autumn Edition (Edition 8) of the Hobsons Bay Community News circulated the week beginning 23 March 2017.

In recognition that Hobsons Bay's community is culturally and linguistically diverse, Council officers contacted some multicultural groups to give advanced notice of the exhibition of the Amendment. Representatives of the Greek Orthodox Church, Newport Islamic Society and Maltese Association met with Council officers to discuss the Amendment prior to exhibition. A further meeting was held with the Italian Social Club Altona during the consultation period. Factsheets were prepared and translated into Arabic, Chinese, Greek, Italian, Macedonian and Vietnamese.

During the exhibition period, Council hosted four drop in community information sessions at:

- South Kingsville Community Centre - 43 Paxton Street, South Kingsville - Thursday 20 July 2017 between 4.30pm and 7pm
- Circle Health Building - 6/230 Blackshaws Road, Altona North - Saturday 22 July 2017 between 10am and 1pm
- Circle Health Building - 6/230 Blackshaws Road, Altona North - Thursday 3 August 2017 between 4pm and 7pm
- South Kingsville Community Centre - 43 Paxton Street, South Kingsville - Thursday 10 August 2017 between 4.30pm and 7pm

The information sessions were promoted via a social media campaign (reaching over 13,900 people), through the Participate Hobsons Bay webpage (with over 6,500 visits), advertisements in the Star Weekly newspaper and within the factsheets. It is estimated that over 175 people attended the sessions.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.2.2 Forecourt of the Williamstown Town Hall and Library Proposal

Directorate: Strategic Development

Appendix: 3

1st YellowCouncillor Portfolio: All portfolios
All Councillors

Purpose

To present to Council two proposals, being the naming of the Williamstown Town Hall and Library forecourt in honour of Ada Cambridge and the installation of a plaque to mark the 2008-2018 conservation program of works undertaken at the Williamstown Town Hall.

Recommendation

That Council:

1. Endorse the naming of the Forecourt of the Williamstown Town Hall and Library in honour of Ada Cambridge
 2. Install a plaque listing Hobsons Bay City Council, The Mayor and Councillors
-

Summary

The completion of the forecourt of the Williamstown Town Hall and Library is an opportunity to formalise the space by naming it after Ada Cambridge. It will also mark a milestone in the major restoration program that commenced at the Town Hall in 2008 by endorsing the installation of a plaque listing Hobsons Bay City Council Mayor and Councillors.

Background

Until the new Williamstown Library (Library) was built, and the Williamstown Town Hall (Town Hall) renovations commenced, the forecourt off 104 Ferguson Street was used as a driveway and for parking, which made it unsafe and inhospitable for people moving through the precinct. The new forecourt design has created a new public space for the city and naming it after Ada Cambridge, a published author with links to early Williamstown, can help define its context and provide practical locational benefits.

Until now there has not been an opportunity to mark the investment Council has made in the Town Hall. From the time that work commenced in 2008 for the first roof replacement, as each stage was concluded, the state of the building required further works precluding a formal milestone of its conservation and restoration. A plaque recognising the work would be in keeping with and adding to the history of the Town Hall.

Discussion

Proposal to name the forecourt – Ada Cambridge

A proposal to name the forecourt after Ada Cambridge will provide positive and practical benefits. Ada Cambridge is a noted literary figure, a published author linked to the history of Williamstown. Naming the forecourt after Ada Cambridge provides a very authentic story with relevance to both the Town Hall and the Library. Ada lived in Williamstown as the wife of the vicar of the Holy Trinity Church in Nelson Place from 1893 until moving back to England in 1913, later returning to Melbourne where she saw out her days. She was a prolific writer, recognised as a strong voice of her time, producing several novels, volumes of poetry, two memoirs and contributing to numerous publications and journals. Places and street names of

Williamstown are overwhelmingly named after men, reflecting the power and political base of the times. It would be good cultural practice for Council to put a gender lens to this opportunity, and formalise and celebrate a woman's contribution to early Williamstown life. Naming the forecourt will highlight the area as a new public space for the city, create a strong sense of place and reinforce Hobsons Bay as a creative city where heritage and the arts are valued.

Proposal to install a new commemorative plaque outside the Williamstown Town Hall

Installing a new plaque marking the conservation work undertaken at the Town Hall would be in keeping with and add to the history of the building. There are commemorative plaques located at the Town Hall, inside the building in the foyer, and on the exterior front façade of the building. Both options have been considered:

1. Internal: the foyer has several very large plaques. To fit and still have good aesthetics, a new Council plaque in this space would need to be quite small and could look out of context in comparison, and wouldn't give an opportunity to be relevant to the new public space of the forecourt which is shared with the Library
2. External: the front façade of the Town Hall has a number of tablets/plaques on it. A tablet in the form of a foundation stone on the wall between the Town Hall front door and Library notes Mayor and Councillors, builder and architect, and is dated 5th June 1918. A plaque is located on the west side of the front façade, noting the centenary of the first meeting of Williamstown Council, and is dated April 1956. Locating a plaque on the external facade about the works undertaken has relevance to the original foundation stone

Subject to heritage advice on style and placement, the proposal is therefore to add a plaque to the external front eastern façade of the building, between the front door on the Library side (see appendix for photographs of plaques in situ and proposed placement).

If these two proposals are supported, it would be planned to launch the forecourt, to be named the Ada Cambridge Forecourt and installation of the Council commemorative plaque in the first week of June 2018. The Council plaque can be prepared and dated 100 years to the month (and even if appropriate, the day) of the first foundation stone, as noted above, as being 5th June 1918.

Processes including place name consultation and steps for registration, heritage advice, works liaison, communications and design would be progressed for June 2018.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 4: Proactive enrichment, expansion and conservation of the natural and urban environment

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 2: A great place

- 2.4 Deliver, support and promote arts, cultural, heritage, recreational and sporting events and programs that foster a sense of belonging and contribute to the liveability of the city

Goal 3: A well designed, maintained and environmentally sustainable place

- 3.1 Work with all levels of government, key stakeholders and the community to ensure urban development is appropriate and considers neighbourhood character and heritage

Policy and Previous Council Reports

It is Council policy to acknowledge major capital works and infrastructure projects for the city with the installation of a plaque.

Legal/Statutory Obligations/Risk

There are statutory requirements for naming features and localities, overseen by the Office of Geographic Names (OGN) led by the Registrar of Geographic Names and this process will be undertaken for the forecourt which is defined as a place. The naming rules uphold the guidelines provided for in the *Geographic Place Names Act 1998*.

Financial and Resource Implications

Council hasn't budgeted specifically for a plaque or launch. Funding for a media release, simple morning tea or public tour serving as a launch can be incorporated in its operational budget.

Environmental/Social/Economic Impacts

The forecourt of the Town Hall and Library includes places for people to sit, relax, spend time and creates a link between the heritage and the new, including the front decking of the library. Naming it on completion as the Ada Cambridge Forecourt after Ada Cambridge has relevance to all parts of the precinct; it has a high practical and cultural context.

Having a plaque listing Hobsons Bay Mayor and Councillors, noting the work undertaken by Council would add to the future narrative of the building and precinct. The plaques that are already in place serve to tell significant stories about early governance and civic life of the Town Hall. The Williamstown Library was officially opened while works were underway to repair the Town Hall and its plaque relates only to the Library investment.

Consultation and Communication

The OGN guidelines include consultation as a requirement of any naming process, although mostly for people directly affected (i.e. a street name change). A public notification process would be recommended to be undertaken and demonstrated to the OGN for any approval, gazettal and registration of a name. A communications plan involving local cultural and heritage representatives will be undertaken.

The Williamstown Literary Festival has a launch scheduled at the Town Hall on Monday 14 May 2018 and is noted as an opportunity for communication. The Williamstown Literary Festival (including the Ada Cambridge Awards) is held at the Town Hall and Library on 16 and 17 June 2018.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.2.3 Amendment C116 - Removal of Covenants

Directorate: Strategic Development

Appendix: 4 1st Blue

Councillor Portfolio: Planning

Cr Tony Briffa and Cr Michael Grech

Purpose

To consider the preparation and public exhibition of Amendment C116 to remove covenants from the former primary school site at 430-436 Blackshaws Road, Altona North and the former kindergarten property at 122 Woods Street, Newport.

Recommendation

That Council:

1. **Support the preparation and exhibition of Amendment C116 to the Hobsons Bay Planning Scheme to remove the restrictive covenants currently applying to 430-436 Blackshaws Road, Altona North and 122 Woods Street, Newport.**
 2. **Request authorisation from the Minister for Planning under section 8A of the *Planning and Environment Act 1987* to prepare and exhibit Amendment C116 to the Hobsons Bay Planning Scheme.**
 3. **Exhibit Amendment C116 in accordance with section 19 of the *Planning and Environment Act 1987*.**
 4. **Receive a further report to consider submissions made to the proposed amendment and refer any unresolved submissions to an Independent Planning Panel.**
-

Summary

The report relates to two properties; the former Altona Gate Primary School site at 430-436 Blackshaws Road, Altona North and the former Council kindergarten property at 122 Woods Street, Newport. Both properties have been the subject of transition projects over a number of years, resulting in the relocation of community facilities to other sites. It has become apparent that covenants apply to portions of both properties, which are no longer relevant or necessary.

The most appropriate method to seek removal of the covenants is by a planning scheme amendment. This report provides a detailed explanation of the reason for the removal, a transparent and inclusive process of community engagement, an independent review process, (should that be needed) and a final determination by the Minister for Planning, following Council's consideration.

The covenants over the former primary school site impose a prohibition on extractive industry (mining and the like) and the manufacture of bricks, tiles etc. The risk of such uses occurring at this site is remote, as the planning controls that currently apply also prohibit them. However, the wording of the covenants mean that excavation for construction of roads, services and pathways is also prohibited.

The covenant on part of 122 Woods Street, Newport restricts use of the land to public recreation. Despite this, the land has been used as an early years facility since it was purchased by Council in 1954. Management of Council assets, and planning for early years facilities, open space and recreation, have not identified this property for any of these uses. Adequate open space exists in the immediate locale and therefore removal of the covenant is appropriate.

Background

The former Altona Gate Primary School site at 430-436 Blackshaws Road, Altona North was closed in 2012. The land is in the hands of Development Victoria in preparation for redevelopment to medium-density housing. The land has been rezoned to Residential Growth Zone and an approved Development Plan provides for 127 dwellings with associated roads, pedestrian paths, landscaping etc.

Twenty six of the lots within the property are subject to a covenant which restricts any excavation on site, except for the purposes of building foundations, and prohibits the use of the site for the manufacture or winning of bricks, tiles or pottery ware. The covenants originally responded to concerns about the land being used for quarrying and brick and tile manufacture; activities that no longer occur in this area. The covenants were also deemed necessary land use control measures as modern planning scheme provisions did not exist to control development. The covenants have now become unnecessary and, in fact, inhibit the development of the land in accordance with Council's plans.

The former Hobsons Bay Kindergarten and Toy Library site at 122 Woods Street, Newport are owned by Council. In 2014 this property was vacated following the completion of the Newport Gardens Early Years Centre located at 51 Maddox Road, Newport, and the transition of services to that new facility.

Lots 82 and 83 were purchased by the former City of Williamstown from the Commonwealth of Australia in 1954 with the intention of constructing a baby health centre, kindergarten and public hall. The buildings were constructed in approximately 1954 contravening a covenant on title that restricts the use of the land to public recreation. At that point in time this commonly occurred as it was not until the introduction of the Restrictive Covenants Bill 2000 that the restrictions on covenants were legally enforced.

The third lot 81 forms part of the kindergarten property and was purchased by Council in 1961. Lot 81 is on a separate title, free of any encumbrances.

Discussion

430-436 Blackshaws Road Altona North

The outdated covenants were imposed on the titles prior to the start of the modern planning system which is able to more appropriately deal with uses and activities that have off-site amenity impacts. More specifically, the land's Residential Growth Zone prohibits stone extraction and the winning of clay, gravel, rock, sand or soil, while Clause 52.09 (Stone extraction and extractive industry interest areas) and Clause 52.10 (Uses with adverse amenity potential) control such uses and their off-site amenity impacts.

The site's approved Development Plan clearly considers a development that would preclude any extractive industry and manufacturing activities and instead provides for a residential development. For a site of this scale, limiting excavation to only that required for a building's foundation unduly restricts the site's orderly and sustainable development. The restrictive covenants constrain the development of the site as anticipated by the Hobsons Bay Planning Scheme by prohibiting excavation related to internal roads and a pedestrian network, services and landscaping areas.

The covenants are of no relevance to the context of the site.

122 Woods Street, Newport

Since relocating the local early years services to Maddox Road, the site is no longer required to meet the community's demand for early years facilities. However, prior to taking action to remove the covenant, Council firstly needs to consider the appropriateness of the covenant registered over Lots 82 and 83, and the impacts of that covenant on future land use. This incorporates; giving consideration as to the adequacy of public open space in this area; perceived or detrimental impacts on the beneficiaries of the covenant; and the character of the neighbourhood.

The property is located within a popular residential pocket of Newport, close to amenities that support residential accommodation. The site is within 300 metres of the recently completed Newport Gardens Early Years facility which now provides the same services that were once offered on the site. The property is not in a prominent location, near public transport or an activity centre that would necessitate retention for future children's services.

With respect to public open space for both recreation and passive use within walking distance of this property, Loft Reserve is located approximately 300 metres from the property and Jack Madigan Reserve is less than 500 metres away.

The property has been used in contravention of the covenant since it was purchased in 1954 but has served the neighbourhood as a community facility. There has been no requests received that the land become available for public recreation and no person currently benefits from the existence of the covenant. It is therefore ineffective and has been since Council purchased the site.

Considering the matters set out above it is reasonable to seek to remove the covenants from both the former school site and the former kindergarten property. The recommended process to achieve this is via a planning scheme amendment. This process will provide the community with an opportunity to submit their views on the proposal through the public exhibition and, if required, the independent planning panel processes.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 1: Visionary, vibrant, accountable urban planning

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 3: A well designed, maintained and environmentally sustainable place

- 3.1 Work with all levels of government, key stakeholders and the community to ensure urban development is appropriate and considers neighbourhood character and heritage

Goal 4: A Council of excellence

- 4.2 Be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management.
- 4.4 Actively seek the community's views by providing a range of opportunities for the community to contribute to Council's decision making.

Policy and Previous Council Reports

On 14 December 2010 Council resolved to record its intention to sell the property following the relocation of the Hobsons Bay Kindergarten and Toy Library to the Newport Gardens Early Years Centre and receive a further report with respect to the statutory procedures required to be adopted.

Proceeds from the land were targeted to be retained for capital works infrastructure for use in the five year Capital Works Program.

It is noted that any future proposal relating to this land and, particularly centred around change of use, will be required to be further considered by Council and publicly advertised in accordance with the requirements of the Local Government Act 1989.

A further briefing report was presented at the 3 October 2017 Council Briefing session outlining legal advice pertaining to the removal of the covenant to 122 Wood Street which recommended a planning scheme amendment be prepared to remove the covenant.

This process aligns with the assessment of the current provision of available open space for Newport West, based on future population projections for this area.

In addition at the Ordinary Council Meeting on the 10 December 2013 Council considered a report which discussed the State Government's plan to rezone former school sites that had been identified as surplus to educational needs.

Legal/Statutory Obligations/Risk

In relation to the Woods Street site, the statutory process available to Council to remove the covenant has been the subject of specific legal advice on how the covenant could be removed and the amendment complies with this advice.

The risk of not removing the obsolete covenants from the Blackshaws Road site will result in the site being unable to meet its development potential, and therefore the provisions of the planning scheme.

Financial and Resource Implications

There is sufficient funding in the budget and resourcing to progress the amendment.

Environmental/Social/Economic Impacts

Removal of the covenants and appropriate development of the surplus State Government land will allow efficient use of urban infill on the property. Relocation of early years services has already occurred to ensure community needs are met.

Consultation and Communication

Consultation on the covenant removal will meet the statutory requirements of the Planning and Environmental Act 1987 as a minimum, which includes the notification of all beneficiaries to the covenants. Any unresolved submissions will be referred to an independent panel where the community will have an opportunity to present their concerns.

Officer Declaration of Conflict of Interest

Section 80C of the Local Government Act 1989 requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers and contractors involved in the preparation of this report have no conflict of interest in this matter.

8.2.4 Contract 2011.30 Variation - Recyclables Acceptance and Sorting

Directorate: Strategic Development

Councillor Portfolio: Environmental Sustainability
Cr Jonathon Marsden and Cr Sandra Wilson

Purpose

To present to Council for consideration a contract variation with SKM Industries Pty Ltd to contract 2011.30 for recycling acceptance and processing until 30 June 2018.

Recommendation

That Council:

- 1. Accept SKM Industries Pty Ltd's (SKM) contract variation from 1 March 2018 to 30 June 2018.**
 - 2. Delegate authority to the Chief Executive Officer and Director Strategic Development to sign the variation.**
 - 3. Consider a further report on SKM's long term contract variation.**
-

Summary

China's National Sword Policy which began on 1 March 2018, bans the import of low quality mixed paper and unprocessed plastics. The China policy has affected the market and the price of commodities and has therefore affected the viability of existing local government contracts with the three kerbside recycling processors in Victoria namely VISY Recycling, Polytrade and SKM Industries (SKM). SKM have sought a variation to 30 June 2018 and will be seeking a second variation for the remainder of their contract with Council to 5 February 2019 and the option of a final extension to 5 February 2020. The Victorian Government has provided some financial assistance to 30 June 2018 and Ministerial exemptions to tender processes have been granted until 30 June 2020 specifically allowing for a variation with SKM.

Not agreeing to this variation places the recycling service at risk. It is likely that VISY Recycling and Polytrade are not in a position to manage additional recyclables and the timeframe to negotiate a new contract and maintain service continuity is prohibitive. Landfilling is a more expensive option that would jeopardise Council's reputation and result in poor recycling behaviours.

This report provides an analysis of the first variation and recommends an agreement.

Background

China's National Sword Policy which began on 1 March 2018, bans the import of low quality mixed paper and unprocessed plastics. As recycled paper makes up the largest proportion of the recycling stream it is the changes in the market for recovered paper that is the major change agent for the future.

The paper recycling rate in Australia is around 76 per cent. In 2017, Australia exported 1,473,000 tonnes of recycled paper with approximately 775,000 tonnes to China. Approximately 350,000 tonnes of the total export tonnage is mixed paper (which is now banned). In 2016 the US exported 12,790,000 tonnes of paper to China, the UK 3,884,000 tonnes and Japan 2,843,000 tonnes. Australia is in the top seven countries exporting paper to China. In 2017, Victoria's recovered paper exports accounted for 48.2 per cent of total annual exports at 710,000 tonnes of recovered material, making Victoria the largest export state in Australia.

Council's recycling processing contract is with SKM Industries Pty Ltd (trading as SKM Recycling) until 5 February 2019 with one final year extension available until 5 February 2020. The contract is based on a fixed fee rebate to be paid to Council for each tonne of recyclable product delivered to SKM. This equates to approximately \$500,000 per year (dependent on the amount of recyclables collected). There are no limits or penalty charges for contamination which is a unique situation compared to other councils' contracts.

The China policy has affected the market and the price of commodities and has therefore affected the viability of existing local government contracts with the three kerbside recycling processors in Victoria namely VISY Recycling, Polytrade and SKM. These companies are affected in different ways predominantly due to different processing equipment and the markets they have established. SKM are establishing themselves to respond to the changes and continue providing services to councils including Hobsons Bay. They are currently building new production facilities in Coolaroo, Adelaide, Hallam, Laverton and Geelong that will be able to produce products that they can sell in the China market.. All recyclers are seeking variations from all their contracted councils to assist with their response and ensure viability and continuity of service. SKM have provided Council a short term contract variation to 30 June 2018. They will soon provide a long term proposal.

The Victorian Government has provided some financial assistance to 30 June 2018 and Ministerial exemptions to tender processes have been granted until 30 June 2020. Council must enter into the renegotiated contract by 30 June 2018 to meet the Ministerial exemption conditions.

Discussion

SKM's short term contract variation to 30 June 2018 for recyclables processing is as follows:

- income from SKM to Council cease from 1 February 2018
- from 1 March 2018 Council pay SKM a fixed fee per tonne
- SKM will not pay or charge Council during February 2018

SKM's short term contract variation is within the current Victorian recycling industry benchmark.

At the time of writing this report SKM were scoping their longer term contract variation which is likely to be a revenue and cost sharing model. This will affect Council's contract with SKM to February 2019 and possible extension to February 2020. The proposal is likely to set the scene for future tenders and terms of contracts. Once received officers will evaluate using tools and advice from the MWRRG, seek more information from SKM if required, and present a commercial in confidence report for Council resolution on a contract variation and extension to February 2020.

The China Policy places uncertainty on the soft plastic recycling service implemented in November 2016 in four councils including Hobsons Bay. Evaluation in March 2017 suggested a low contamination rate, however because this type of material is a lower quality, the China Policy may have implications for this service. SKM who are confident that the soft

plastic recycling service will continue however they have not provided their long term proposal as yet and are yet to formally respond as to the future of flexible plastics recycling program. SKM has however confirmed that the flexible plastics program is not affected by this short term variation. The long term future of soft plastic recycling will be discussed further with SKM, other councils and the MWRRG. SKM will provide feedback to stakeholders in April 2018 after their Coolaroo plant is fully operational. Active promotion of this service has been postponed until more certainty is provided.

The uncertainty about the status of recycling from households also creates greater uncertainty for public place recycling. A trial of public place recycling bins was intended from April to September 2018 in Pier Street, Altona. Recyclables from public place recycling systems are historically more contaminated than what is collected from household recycling bins. Even before China's policy was implemented SKM was concerned about increased contamination from these systems, the impact on their processing capabilities and possible increased costs to Council. A purpose of the trial was to evaluate the level of contamination, establish the costs for implementing a public place recycling system more broadly and inform discussions with SKM or a future tender. Council has written to SKM inviting them to be part of the trial. An update will be provided on the outcome and future activities.

As previously mentioned there are no limits or penalty charges for contamination in Council's contract with SKM. SKM had proposed that this variation include a contamination limit, transport and disposal fees. The contamination limit is based on a metropolitan average performance and this with transport and disposal fees are not an unreasonable request of SKM. Contamination audits of Council's recyclables, conducted during November or December each year, range from 8.6 per cent contamination in 2012 to 17 per cent in 2013. The most recent audit in 2016 showed 10.6 per cent contamination. With the exception of the 2013 result contamination has been within the range of other metropolitan councils contracted with SKM and within ranges previously accepted by SKM.

In 2016 the predominant contaminants were bagged waste, bagged recyclables and textile. Flexible plastics are included as contamination in these results and account for approximately 0.4 to 1.4 per cent. Officers have negotiated with SKM to remove this clause from this short term variation ensuring that the current contract arrangements of no limits or penalty charges will prevail. However Council may expect a contamination clause in SKM's longer term proposal and in future tenders.

As previously mentioned Council's contract with SKM is to February 2019 and has one possible extension to February 2020. The short and long term variation and the Ministerial exemption to tender will allow Council time to consider future options. These may include retendering as a sole council, a collective tender with other councils or opting into the MWRRG regional contract which expires in 2026. The outcomes of SKM's longer term contract variation, the Victorian Government taskforce and the MAV working group will provide guidance.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision: Priority 5: Activate sustainable practices

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 3: A well designed, maintained and environmentally sustainable place

- 3.4 Maintain a clean city and encourage the community, business and industry to reduce, reuse and recycle

Goal 4: A Council of excellence

- 4.1 Collaborate with all levels of government, service providers, not for profit organisations and the private sector to address the concerns of our community
- 4.2 Be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management

This report also aligns with Council's Waste and Litter Management Plan specifically the continuation of the kerbside recycling service.

Policy and Previous Council Reports

On 3 May 2011 Council resolved to enter contract 2011.30 and delegate to the Chief Executive Officer authority to negotiate and approve extensions that are less than 20 per cent variation. This contract variation will not have implications for the content or scope of Council's Waste Service and Charge Policy or Waste Management Financial Reserve (the Reserve) Policy but will affect the charge Council raises in 2018-19 and beyond and will mean less financial contribution into the Reserve.

Legal/Statutory Obligations/Risk

As previously mentioned each of the three Victorian recyclers are in a different position with SKM establishing themselves to a greater extent than others to respond to the changes. To maintain the service in the short term until SKM's longer term contract variation is considered and new future options are realised it is important that this short term variation be agreed to.

Under section 186 of the *Local Government Act* 1989 there are restrictions on councils entering into contracts above \$150,000 without first carrying out a public tender process. Council has been granted Ministerial exemption from tendering under section 186(5)(c) of the Act and is able to enter into a varied contract for recycling collection services. The exemption is until 30 June 2020 and Council must enter into the renegotiated contract by 30 June 2018.

As this contract variation is greater than 20 per cent, Council needs to formally consider the contract variation to comply with its procurement policy. Council's Tender Board considered this matter on 19 April 2018 and resolved to support the variation to the contract.

The contract is silent on how to specifically address global impacts on the service. It specifies a process for variations directed by Council but not by the contractor. It does include a process in instances of defaults or terminations by the contractor and requires the contractor to show cause. In this case SKM has sought a variation so as not to default or terminate the contract. Council could consider legal options to contract default however this approach carries risks. Setting aside costs of legal action, there are few alternative providers in the market which could result in suspension of recycling services with landfill being the only option for collected recycling. Officers support that SKM has met the 'show cause' clause in the current contract.

Financial and Resource Implications

Council was successful in receiving up to \$205,000 of the Victorian Government support package. Councils will be required to meet any increase in recycling costs from 1 July 2018 onwards and demonstrate renegotiated recycling processing contracts or interim pricing agreements by 30 September 2018.

The implications of this contract variation and the Victorian Government funding will mean a loss of approximately \$205,000 during 2017-18. By comparison if Council landfilled the recyclables collected from 1 March to 30 June 2018 Council would forfeit the Victorian Government funding and it could cost Council almost twice as much.

Council's 2017-18 midyear budget review did not flag any increases in expense or decrease in income in recycling services. This is because the possible financial effects of the China Policy were only considered after councils including Hobsons Bay completed their 2017-18 midyear budget reviews.

The overall 2017-18 waste and recycling service, policy and project budget is tracking quite close to budget. Any savings at the end of the financial year are likely not to be able to accommodate the loss of approximately \$205K. The March 2018 forecast has acknowledged this impact. It is possible to cover this potential loss from the Waste Management Financial Reserve. This will be determined at the end of the 2017-18 financial year.

Council's 2018-19 proposed budget has included a 17 per cent increase in the waste charge, which takes into account a loss of income but no additional expense. At the time of developing the draft budget, and of writing this report, details of cost implications beyond July 2018 were uncertain. Council has requested SKM to submit their long term contract variation by 30 April 2018.

Environmental/Social/Economic Impacts

The recycling service is very important to the community scoring a 98 out of 100 in the 2017 annual community survey, an increase from 91 the year prior. Satisfaction with the recycling service is 92 out of 100 an increase from 87 the year prior.

It is likely that VISY and Polytrade do not have the immediate capacity to manage additional recyclables and the timeframe to negotiate a new contract and maintain service continuity is prohibitive. The Ministerial exemption is also specifically for a contract variation with SKM.

Landfilling is the last option. It could cost approximately twice as much for four months in addition to forfeiting Victorian Government funding. It would also jeopardise Council's and the recycling industry's reputation and potentially cause poor future recycling behaviours. Landfills in the west are already under community and operational pressures and diverting recyclables to landfill will increase this impact.

Consultation and Communication

A number of briefings have been held by the MWRRG to provide regular updates to councils. The MWRRG have developed communications materials to assist councils and are developing assessment tools to validate contractor's proposals. The MAV have also been taking an advocacy and informing role for regional and metropolitan councils. The Victorian Government has established a recycling industry taskforce to develop a strategic plan for industry transition and a budget bid to address this plan. The MWRRG and the MAV are part of the taskforce. The MAV have formed its own working group with council officers to coordinate and drive local government responses to recycling industry challenges and guide the MAV's input into the Victorian Government taskforce. Councillors and senior management have been kept informed of developments in the industry and potential impacts. Commonwealth, State and Territory Ministers and the President of the Australian Local Government Association met on 27 April. They agreed to reduce the amount of waste generated and make it easier for products to be recycled by including a target of 100 per cent recycled content in packaging by 2025. They agreed to develop our recycling industry and grow domestic capabilities to process recyclables. They will increase the demand for recycled products and create markets for recycled materials. Waste to energy and biofuels projects will also be explored and the 2009 National Waste Strategy will be updated.

In February 2018, after media announcements of the pressures impacting the Australian recycling industry, Council released a news item advising residents that it was not impacting our service. There has been limited community reaction to the issue with a small number of enquiries or social media interactions. The most recent community newsletter advised that

the cost of the service is likely to increase. A communication plan has been developed to provide more information to the community on the issue and what Council, the industry and the Victoria Government are doing to address it.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.3 Corporate Services

8.3.1 Policy Review - Discontinuance and Sale of Roads, Rights of Way and Drainage Reserves Policy

Directorate: Corporate Services

Appendix: 5 2nd Pink

Councillor Portfolio: Not applicable

Purpose

To review and update Council's Discontinuance and Sale of Roads, Rights of Way and Drainage Reserves Policy

Recommendation

That Council:

1. **Revokes the Rights of Way Discontinuance, Closure and Sale of Rights of Way Policy adopted by Council on 10 December 1996 and amended on 15 June 1999.**
2. **Revokes the Rights of Way - Unmade Laneways Policy adopted by Council on 10 October 2006 and amended on 10 September 2013.**
3. **Adopts the Discontinuance and Sales of Roads, Rights of Way and Drainage Reserves Policy**

Summary

Hobsons Bay City Council has the authority to approve the closure (discontinuance) of road or rights of way or remove a reservation from a drainage reserve and sell the land.

The discontinuance and sale of a road or right of way is viewed as a significant action because of potential impacts on the loss of legal access by adjacent landowners and the public whilst the removal of a drainage reservation and sale may impact upon the neighbourhood character and amenity and Council's current and future drainage and water retention requirements.

The purpose of the Discontinuance and Sale of Roads, Rights of Way and Drainage Reserves Policy (the Policy) attached at Appendix One is to update and combine the existing road discontinuance and unmade laneway policies. The proposed policy combines the following two policies:

- Rights of Way Discontinuance, Closure and Sale of Rights of Way Policy adopted by Council on 10 December 1996 and amended on 15 June 1999.
- Rights of Way - Unmade Laneways Policy adopted by Council on 10 October 2006 and amended on 10 September 2013.

The Policy also applies to proposals received by Council to consider the removal of a reservation from a drainage reserve and sale.

Background

Council first adopted a Rights of Way, Discontinuance, Closure and Sale Policy on 10 December, 1996, which was amended on 15 June, 1999.

On 10 October 2006, Council adopted a Rights of Way – Unmade Laneways Policy which was subsequently amended on 10 September, 2013

Since that time, the existing Policies have stood alone and have not been reviewed. The current Policy before Council combines the existing Policies and also considers drainage reserves.

The Policy also establishes the principles and a framework to guide Council when considering a Proposal to ensure that the processes adopted by Council are aligned with current best practice, conducted in an open, transparent and equitable manner whilst having regards to legislative obligations of Council.

Discussion

Medium density housing approvals have more than doubled in Victoria over the past few years and there is an expectation from the Victorian Government that land within established Council municipalities including the City of Hobsons Bay, will accommodate additional infill medium or high density developments.

This being the case, land comprised within roads, rights of way or drainage reserves in residential zones are becoming highly sought after by residents and/or developers as they have the potential of optimizing development yield.

The Policy identifies the criteria required to be considered by Council in assessing a Proposal and the framework that will be applied to ensure a consistent and efficient approach is adopted by Council.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 1: Visionary, vibrant, accountable urban planning

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

- 4.2 Be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management

Policy

The Policy identifies the criteria required to be considered by Council in assessing a Proposal and establishes a framework to ensure that an equitable, consistent, transparent and efficient approach is adopted by Council.

Legal/Statutory Obligations/Risk

Depending on the nature of the Proposal required to be considered by Council will dictate the legislation to be applied.

With respect to a proposal to discontinue the road status, clause 3, schedule 10 of the *Local Government Act* 1989 (LGA) provides Council with the authority to discontinue a road or part thereof and sell it to a third party or retain it for municipal purposes.

In instances where Council proposes to discontinue the road status from a Government Road, Council is required to advise if it concurs with the Crown to discontinue a Government road under section 349 of the *Land Act* 1958. If a Government road is discontinued it becomes the freehold property of the Crown and may be sold by the Crown.

Planning and Environment Act 1987 (PEA)

A road may be closed by an amendment to the Planning Scheme under section 43 *Planning and Environment Act 1987* or Section 44 *Planning and Environment Act 1987* (Closure of roads on land other than Crown land).

Road Management Act 2004 (RMA)

Council is required to establish a Register of Public Roads which includes those roads that may also be *considered* to be rights of way or laneways.

Subdivision Act 1988

Council has the power under Sections 20 and 24A of the *Subdivisions Act 1988* to initiate procedures to remove and vest in itself all, or part of a drainage reserve, or sell it to a third party.

Financial and Resource Implications

Where Council has adopted a resolution to proceed with a Proposal, Council will be bound by the provisions of the Policy to ensure that an equitable return for the ratepayers and residents of Hobsons Bay City Council is achieved with all costs associated with a Proposal shared equally by the purchasers paid at the same time as the purchase price.

Environmental/Social/Economic Impacts

Proposals are required to consider potential impacts on the loss of legal rights of access enjoyed by abutting land owners, the overall impact on the neighbourhood character and amenity, *Council* requirements for access, drainage purposes or other strategic purposes, the requirements of Essential Services and utilities.

Consultation and Communication

All proposals involving either the discontinuance of a road or right of way or a drainage reserve requires Council to undertake a public consultation process.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.3.2 Proposed Discontinuance of part of a Government Road abutting 15 Challis Street, Newport

Directorate: Corporate Services

Appendix: 6 2nd Green

Councillor Portfolio: Not applicable

Purpose

To advise Council that the public notification process for the proposal to discontinue part of the Government Road (Road) in Jubilee Street, Newport being part of the Road adjoining and enclosed within the boundary of 15 Challis Street, Newport has been completed and to present a summary of the written submissions to Council for consideration in accordance with the section 223 of the *Local Government Act 1989* (LGA).

Recommendation

That Council:

- 1. Considers the written submissions made under section 223 of the *Local Government Act 1989* (LGA) with respect to the proposed discontinuance of part of a Government Road abutting and enclosed within the property known as 15 Challis Street, Newport (Road)**
- 2. Directs Council Officers to prepare a further report to be considered at the Ordinary Meeting of Council to be held on 12 June 2018 to enable a final decision to be made as to whether part of the Road should be discontinued and the land returned to the Crown.**

Summary

Council received a request from the owners of 15 Challis Street, Newport to consider a proposal to discontinue part of a Government Road in Jubilee Street, Newport (the Proposal) and being the land currently enclosed within the boundary fencing of this property as shown hatched on the plan at Appendix One.

Background

Council at its Ordinary Meeting on 13 February 2018 resolved to commence the statutory procedures to discontinue part of the Government Road in Jubilee Street, Newport (the Proposal) and being the land adjoining and enclosed with the property known as 15 Challis Street Newport.

The resolution was made in response to a request from the property owners of 15 Challis Street, Newport requesting that Council commence a discontinuance process pursuant to the provisions of the LGA which would then vest the land in the Crown as freehold land and enable the Crown to either retain or sell the land.

The portion of land affected by the Proposal is part of a Government Road having an area of approximately 52m² and being the land depicted on the proposed discontinuance plan at Appendix Two.

The land is enclosed within the boundary fencing of 15 Challis Street, which occupation is likely to have prevailed for well in excess of fifty (50) years and has occurred as a result of a historical survey misalignment of the title property boundaries impacting upon both 15 Challis

Street and 17 Challis Street, Newport. The boundary misalignment is depicted on a Plan of Survey prepared by PM Kennedy Ref. 26259 attached at Appendix Three.

Government Roads cannot be claimed via adverse possession and as a result this alternative is not available to the applicants.

Discussion

In accordance with the provisions of the LGA, the process for road discontinuance requires Council to publicly advertise the Proposal in the local newspaper and to invite submissions from interested persons and allowing at least 28 days for submissions to be made which may or may not request to be heard in support of a submission.

On 28 February, 2018 an advertisement was placed in the Maribyrnong & Hobsons Bay Star Weekly newspaper and on Council's website under sections 82A, 207A and 223 of the LGA providing public notice of the Proposal. Letters were also written to adjoining landowners advising of the Proposal.

In response to the public notice, two written submissions have been received from the owners of 123 Park Crescent, Williamstown North (the submitters) objecting to the Proposal. Copies of the submissions are attached at Appendix Four. The two written submissions were received within the statutory timeframe. The submitters have not requested to be heard in support of their submissions.

The submitters have listed the following key reasons for objecting to the Proposal:

1. Fence line not constructed in accordance with a property land survey
2. No entitlement to take over public land causing pedestrians to have to deviate past this property rather than follow a lawful course
3. Council's does not have the power to sell land that forms part of a Government Road and should not proceed with this proposal and should take back the land and retain the part of the land as Government Road and deny the applicants the opportunity to legitimise the occupation of the land
4. Council proceeding with this proposal, will legitimise the illegal occupation and will set a dangerous precedent for the future.

Officers note the following with respect to the key issues raised by the submitters as follows:

1. In response to the first issue, the applicant has provided to Council a copy of a survey plan depicting the misalignment of the property boundaries of both 15 and 17 Challis Street, Newport. As such, the encroachment onto the Government Road may well be more of a historical survey anomaly rather than a land grab.
2. With respect to the second issue, while there is no legal entitlement for a member of the public to take over public land, the fact of the matter is that occupation of the land has existed for well in excess of 50 years which appears to be as a result of a historical survey misalignment. The Jubilee Street road pavement adjacent to 15 Challis Street Newport has an irregular alignment and a wider than normal nature strip due to the roundabout at the intersection of Challis Street, Jubilee Street and Champion Road. As a result, this minor encroachment does not negatively impact on the function of Jubilee Street, the nature strip or the existing footpath.
3. In relation to the third key issue raised by the submitters Council is advised that Jubilee Street is a Government Road, which is essentially 'owned' by the State Government (the Crown). While Council has the power under section 206 and Schedule 10 Clause 3 of the LGA to discontinue and remove the road status of a Government Road, Council does not have the power to sell or transfer land from a Government Road.

If discontinued, the land comprising the discontinued road will vest in the Crown pursuant to section 207B of the LGA, which land then becomes the freehold property of the Crown and may only be sold by the Crown. Any proposal to sell this land can only be undertaken by the State Government land manager, the Department of Environment, Land Water and Planning (DELWP). It is noted that prior to Council proceeding with the Proposal, Council is required to liaise with DELWP and seek “in principle” approval to commence the statutory procedures having regards to section 349 of the *Land Act 1958*.

4. The last key issue raised by the submitters pertaining to setting a precedent in the future, given that the Proposal seeks to regularise a survey anomaly which has existed for fifty years plus, proceeding with a proposal to discontinue the portion of the Government Road enclosed within the fenced boundary of the property, 15 Challis Street, Newport, will rectify a historical survey anomaly which has existed for fifty (50) years plus.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 1: Visionary, vibrant, accountable urban planning

Priority 4: Proactive enrichment, expansion and conservation of the natural and urban environment

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 3: A well designed, maintained and environmentally sustainable place

- 3.1 Work with all levels of government, key stakeholders and the community to ensure urban development is appropriate and considers neighbourhood character and heritage
- 3.2 Deliver and maintain well-designed, accessible and environmentally sustainable community assets

Policy and Previous Council Reports

The discontinuance of the road is in accordance with Council’s Policy for the discontinuance, closure and sale of rights of way.

Council as its Ordinary Meeting on 13 February 2018 resolved to commence the statutory procedures to discontinue part of the road reserve in Jubilee Street, Newport

Legal/Statutory Obligations/Risk

The statutory process to discontinue the road is being undertaken in accordance with the requirements of the LGA.

The implications of this report have been assessed in accordance with the requirements of the Charter for Human Rights and Responsibilities.

Financial and Resource Implications

The owners of 15 Challis Street, Newport have agreed to reimburse Council all of its reasonable costs in undertaking this road discontinuance procedures. There are no financial implications for Council with respect to a proposal to sell the land as this is an administrative function required to be undertaken by DELWP over which Council has no control.

Environmental/Social/Economic Impacts

There are no environmental, social or economic impacts resulting from the proposal.

Consultation and Communication

Public notice of the proposed discontinuance was published in the Maribyrnong and Hobson Bay Star Weekly newspaper on 28 February 2018 and published on Council's website.

In addition, Council also wrote to abutting property owners advising of the Proposal and informed them of their right to make a submission.

Following publication of the public notice, Council received two submissions objecting to the Proposal. Council has written to each submitter confirming receipt of their objections in accordance with the provisions of the LGA and has also confirmed the date when Council will be considering their submissions and invited them to attend.

Officer Declaration of Conflict of Interest

Section 80C of the LGA requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council Officers involved in the preparation of this report have no conflict of interest in this matter.

8.3.3 Proposed Sale of Land from a Former Road - Adjoining the Rear of 20 Percy Street, Newport and 129 Blackshaws Road, Newport

Directorate: Corporate Services

Appendix: 7 2nd Yellow

Councillor Portfolio: Not applicable

Purpose

This report is to consider the sale of a section of previously discontinued road adjoining the rear of 20 Percy Street and 129 Blackshaws Road, Newport (the proposal).

Recommendation

That Council acting under section 189 and 223 of the *Local Government Act 1989* (LGA) resolves to:

1. Commence the statutory procedures to sell the land from the former discontinued road and being Lots 14 and 15 on Title Plan 000239B abutting the rear of 20 Percy Street and 129 Blackshaws Road, Newport and being the land shown hatched on the Plan at Appendix One.
 2. In accordance with sections 189 and 223 of the *Local Government Act 1989* (the Act) give public notice in the *Maribyrnong & Hobsons Bay Star Weekly* newspaper and on Council's website of its intention to sell the land for no less than the market valuation (exclusive of GST) to the adjoining land owners at 20 Percy Street and 129 Blackshaws Road, Newport by way of private treaty.
 3. Resolves to hear and consider any submissions received pursuant to section 223 of the Act in relation to this matter at a date and a time to be fixed.
 4. Receive a further report following the public notice period and after hearing any submissions received.
-

Summary

This report proposes that Council commence the statutory procedures to sell the land from the former right of way abutting the rear of properties known as 129 Blackshaws Road and 20 Percy Street, Newport to the adjoining property owners in accordance with the division of land indicated on the Title Plan attached at Appendix Two.

Background

On 10 August 1992 Council formed the opinion that the road abutting the rear of 129 to 145 Blackshaws Road and 18 to 36 Percy Street, Newport *was not reasonably required as a road for public use* and resolved to discontinue the road abutting these properties in accordance with the provisions of the *Local Government Act 1958* (the prior Act).

Although land allocation was determined at the time of the discontinuance process, the transfer of the land to the then owners of 20 Percy Street and 129 Blackshaws Road, Newport were not concluded. Accordingly, the land abutting these properties remains as vacant land.

Discussion

As part of the discontinuance process conducted in 1992 the road status was removed from part of the road abutting the rear of 129-145 Blackshaws Road and part of 18 Percy Street to 36 Percy Street, Newport.

The section of road abutting the rear of the properties to the east and being the properties known as 123-127 Blackshaws Road and 16 and part of 18 Percy Street remained as road. Accordingly, this proposal does not in any way impact on access being available to the rear of these properties.

At the time of the discontinuance, negotiations were entered into with the then abutting land owners and agreement reached as to the appropriate division of land that was either based upon occupation, the location of utility services (if any) and the agreement of residents at that time. As a result, a title plan was prepared by a licensed surveyor allocating parcels of land to adjoining landowners which was then formalised by the registration of a Title Plan by Land Victoria, a copy of which is attached at Appendix Two.

Two rectangular shaped small parcels of vacant land abutting the rear of 129 Blackshaws Road and 20 Percy Street Newport have remained as vacant land. These two parcels of land comprise an area of 27.88m² and are available for sale to the abutting land owners in accordance with the registered Title Plan.

The adjoining property to the west known as 131 Blackshaws Road, Newport purchased the whole portion of the discontinued road abutting the rear of this property which is fenced within the title boundary of that property.

As part of the preliminary consultation process with abutting land owners, Council received advice from the owners of 131 Blackshaws Road that they were redeveloping this property and requested access across the vacant land to enable garages to be built at the rear of the property. Council wrote to the property owners and advised that, given that the land abutting the eastern boundary of 131 Blackshaws Road was discontinued and was no longer a road, the request to accommodate access could not be considered.

131 Blackshaws Road proposed an alternative proposal that Council sell the land abutting the rear of 129 Blackshaws Road and 20 Percy Street to 131 Blackshaws Road to enable the land to be utilised for access.

Taking into consideration the provisions of the *Local Government Act 1958* (the Act) which is very specific in that the Council must offer the land for sale to the person(s) whose land *immediately adjoins the land proposed to be sold*, the owners were advised that in accordance with the land allocation of the registered Title Plan and also having regards to the fact that 131 Blackshaws Road had already benefitted from the purchase of the whole of the land from the former road abutting their property, the land would be considered for sale to those properties that directly abut the land from the former right of way and being 129 Blackshaws Road and 20 Percy Street.

Since the road was discontinued in 1992, the land no longer enjoys the status of a road. Accordingly, it is appropriate for Council to consider commencing the statutory processes for the sale of the remaining land from the discontinuance road abutting the rear of 121 Blackshaws Road and 20 Percy Street Newport.

Strategic Alignment

This report specifically addresses the following goals and objectives in the Community Health and Wellbeing Plan and Council Plan 2013-17:

Goal 2: A Well Planned, Vibrant and Sustainable Place

- 2.3 Contribute to initiatives that encourage economic opportunities through local employment, business, industry and tourism; and
- 2.4 Plan for a well designed urban environment and public spaces that contribute to the life of the city.

Goal 4: An Innovative, Proactive and Leading Organisation

- 4.1 Undertake responsible and sustainable decision making and management.

Policy

The prior discontinuance and sale of the land from the former right of way has been dealt with in accordance with Council's Policies for the discontinuance, closure and sale of rights of way.

Legal/Statutory Obligations/Risk

Since the time when the discontinuance process was considered by Council, the provisions of the *Local Government Act* 1958 (the prior Act) and, in particular, sections 526 and 528, applied.

As such and given that this land has not been utilised as a road and is not included on Council's road register, is available for purchase by the adjoining residents in accordance with the land allocation that was registered at the time and, as indicated on the survey plan attached.

Council's intended course of action has been reviewed from a legislative compliance perspective by Council's consultants Macquarie Local Government Lawyers and no issues have been identified.

Financial and Resource Implications

In accordance with Council's Rights Way, Discontinuance, Closure and Sale of Rights of Way Policy dated 10 December 1996 and amended 15 June 1999, the land from the road is to be sold at current market value.

As well as purchasing the land for the current market value, the purchasers are also required to pay reasonably costs associated including surveyor fees, legal costs, public advertising and any other fees associated with any proposed sale of the land.

A current market valuation has been requested from an independent licensed market valuer dated 15 March 2018. Council has been advised that, as at 15 March 2018, the value of the two rectangular parcels of land, being an area of 27.88m² is \$11,800. As this valuation is current for a period of 6 months from the date of valuation, should the sale negotiations not be concluded prior to the expiration of the current valuation, a new valuation will be required to be sought.

Environmental/Social/Economic Impacts

Whilst the proposal does not give rise to any social or environmental issues it will generate once off income for Council as a result of the sale of the land together with an ability to rate the land in the future.

Consultation and Communication

The statutory procedures under the *Local Government Act* 1989 require Council to give public notice of its intention to sell the land from the former road. The public notice will invite submissions in accordance with Section 223 of the LGA and submitters may request to be

held by either Council or a Committee appointed by Council prior to a decision being made to either proceed or otherwise withdraw the proposal.

Public Notice of the proposed sale of land will be given in the Maribyrnong and Hobson Bay Star weekly newspaper and published on Council's website with formal letters being forwarded to adjoining landowners attaching a copy of the Public Notice.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.3.4 Proposal to Lease – Altona Badminton Centre

Directorate: Corporate Services

Appendix: 8 2nd Blue

Councillor Portfolio: Not applicable

Purpose

To present to Council a request from the Western Suburbs Badminton Association Inc (the WSBA) for a new lease to the Altona Badminton Centre located at 217 Mason Street, Altona North.

Recommendation

That Council:

1. Resolves to commence the statutory procedures in accordance with section 190 of the *Local Government Act* 1989 proposing to grant a new lease to the Western Suburbs Badminton Association Inc. subject to the following terms:

Premises	Altona Badminton Centre located at 217 Mason Street, Altona North (Paisley Park)
Permitted use	The playing of badminton including organised competition, casual court hire and special events
Commencement	1 July 2018
Length of term	Five (5) years with no further options
Rent	\$36,500 per annum plus GST per annum with annual CPI increases, with a rent review at commencement of option period
2. Authorise the Chief Executive Officer of Council or their delegate to prepare and give public notice of the proposed lease in the Maribyrnong & Hobsons Bay Star Weekly newspaper and on Council's website, under section 223 of the Act.
3. Resolves to hear and consider any submissions received pursuant to section 223 of the Act at a meeting to be held on a date and time to be nominated in the event that submissions are received.
4. Receive a further report following the public notice period to consider the granting of the lease.

Summary

Council received a request from the Western Suburbs Badminton Association Inc. (the WSBA), seeking a new lease to the Altona Badminton Centre (the 'Premises') located at 217 Mason Street, Altona North (see Appendix). The WSBA are the current lessee of the Premises.

The Premises is located within Paisley Park and has been operating as a badminton centre since 1985 and the WSBA have operated from the badminton centre since it was constructed. The current lease expires 3 July 2018.

This report proposes that a new lease be established with Council and the WSBA and that Council commence the statutory procedures in accordance with the Act.

Background

The Premises, located within Paisley Park, is approximately 2,650m² and was purpose built in 1985. WSBA contributed \$46,980 towards the construction of the facility which includes 12 badminton courts, amenity and storage areas, office, kitchen, kiosk and foyer spaces.

The Premises was leased to the WSBA in 1985 for a ten year term for the playing of badminton including organised competitions, casual court hire and special events. Further leases were entered into with the WSBA in 1998, 2003 and 2008. The current lease expires 2008 for a period of 5 years with one 5 year option commencing 1 January 2013.

The Premises has a current site value of \$454,000 and a capital improved value of \$2,096,000.

Discussion

The current lease expires on 3 July 2018 promoting WSBA to seek a new lease for the Premises to continue its operation as a badminton centre. The WSBA proposed terms of the Lease are:

Commencement date:	1 July 2018
Lease term:	Five (5) years with one five (5) year option
Commencement date:	1 July 2018
Commencing rental:	\$36,500 (ex GST) plus outgoings
CPI:	Annual CPI increases with a rent review at the commencement of the option period.

The current annual rental is \$35,701 (GST exclusive) plus outgoings.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 2: Community wellbeing and inter-connection

Priority 3: Growth through innovation, access to local jobs, technology and education

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 1: An inclusive and healthy community

- 1.1 Provide access to high quality services that enhance community health and wellbeing

Goal 2: A great place

- 2.3 Support the growth of our local economy, and encourage business investment that creates and maintains local jobs

Goal 4: A Council of excellence

- 4.2 Be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management

Policy and Previous Council Reports

The original lease between Altona City Council and the WSBA was granted 6 May 1985. On 9 December 1997, Council further resolved to enter into a lease with the WSBA for a period of five (5) years and a further option of five (5) years and a commencing rent of \$27,000.

Legal/Statutory Obligations/Risk

Local Government Act 1989 (the Act)

Prior to leasing any land, Council must carry out statutory procedures in accordance with section 190 and 223. Section 190 of the Act provides that Council must give public notice of the proposed lease if the lease is to be:

- (a) for more than one year; and the rent for any period (or market rental value of the land) is \$50,000 or more a year; or
- (b) for ten years or more; or
- (c) a building or improving lease

Council's must publish the notice of the proposed lease at least 4 weeks before a lease is made and invite and hear any submissions received in accordance with section 223 of the Act.

Retail Leases Act 2003 (RLA)

Where a proposal to lease a premises is for a period of less than 15 years (excluding options) and the retail premises are used wholly or predominantly for the sale or hire of goods by retail or the retail provision of services, the RLA applies. Given that the proposal is for a term of five (5) years with an option of five (5) years, the RLA applies.

Council as the landlord will therefore continue to be responsible for maintaining the Premises in the same condition as when the lease was first entered into. This includes:

- the structure of the premises (i.e. the walls and the roof)
- fixtures in the premises belonging to the landlord which may include shelving, cupboards etc.
- the plant and equipment at the premises including air conditioning/heating etc.
- appliances, fittings and fixtures that the landlord has provided under the lease relating to services such as gas, electricity and water, powerboards, water pipes, hot water system.

Council will undertake a formal building condition report establishing the current condition of the building's internal and external fabric, the structure and services provided to the building prior to entering into Lease.

Financial and Resource Implications

In order to establish the current market rental for the Premises, an independent market valuation has been undertaken which assessed the current commercial market rental for the Premises at \$160,000 (ex GST) (see Appendix).

As the Premises is considered to be a community sporting facility, a valuation review was also undertaken by an Charter Keck Cramer, an independent property advisory firm assessing the current 'community' rental for the Premises at \$53,500 (ex GST).

Over the past 2 years the WSBA has recorded an operating loss of around \$45,000 per annum. The operating loss is due to a decrease in court hire income of around \$70-100,000 per annum which is as a direct result of increased competition with the Western Sports & Badminton Centre, Deer Park (12 courts) and Maribyrnong Secondary College, Footscray (6 courts) opening in 2014. A new 14 court commercially operated badminton facility also opened on McArthurs Road, Altona North in 2018.

The WSBA are concerned that this competition will further erode court hire and sales income. The WSBA has requested that Council consider the changing market place in which the WSBA is operating within in determining the proposed rental. The proposed rental of \$36,500 (ex GST) is based on the current annual rental of \$35,701 with a proposed adjustment in accordance with CPI.

The incumbent has requested a lease term of five (5) years with an option for a further five (5) year term. A term of five (5) years with no further option is proposed to allow further planning to be undertaken to understand the impact of these new facility developments on the WSBA's operations and to determine the future development and use of the Premises.

Environmental/Social/Economic Impacts

The WSBA has a long association with the Premises having been the sole occupant since its construction 32 years ago. The WSBA has met its obligations under previous lease agreements with Council and has maintained the Premises in a good condition.

In addition to contributing towards the construction of the Premises, the WSBA invested \$15,000 towards upgrading the facility lights to LED in 2014 and a further \$50,000 towards the installation of an evaporative cooling system in 2016.

The WSBA specialises in the provision of badminton services and programs. The current level of use of the Premises is near capacity, with limited scope to program additional badminton usage and no scope to program alternative usage.

Council has obligations under the *Health and Wellbeing Act 2008* to seek to protect, improve and promote public health and wellbeing. The provision of facilities encourages the community to participate in sporting, recreational and community activities is a fundamental role of Council. Vic Health research has found that local government areas with higher availability of sports facilities recorded higher levels of participation.

Council has developed a draft Sports Facility Needs Analysis (SFNA) to assist in determining the future planning and development of its sporting facilities. The draft SFNA identifies the need to investigate the Premises as a potential site for 4-6 multi-sport courts as a medium term (3-5 years) priority.

Should Council's Strategic Planning team recommend any changes to the future development and use of the Premises, this would be the appropriate time to review Council's options for leasing the Premises, such as changing the management model or going to market for another operator.

Consultation and Communication

Council is required to give public notice of the proposal to lease the Premises and invite and hear submission in accordance with sections 190 and 223 of the Act. Compliance of these processes will be undertaken should Council resolve to lease the Premises.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.3.5 Quarterly Financial Report – March 2018

Directorate: Corporate Services

Appendix: 9 3rd Pink

Councillor Portfolio: Not applicable

Purpose

To present Council with the financial results for the period ended 31 March 2018, and the revised 2017-18 annual forecast projections following completion of the March forecast review.

Recommendation

That Council note the financial report for the period ended 31 March 2018 and the revised 2017-18 annual forecasts.

Summary

The financial report for the period ended 31 March 2018 and a detailed report on the position of the capital works program are attached as an appendix. The March forecast review has been undertaken in addition to the extensive midyear budget review process. The report will be received and noted by Council's Audit Committee at the meeting to be held on 23 May 2018.

The operational budget surplus for 2017-18 of \$14.616 million has increased to a \$21.168 million forecast.

The increased forecast surplus of \$6.552 million is largely a result of additional income (\$5.502 million) expected to be received by Council. The most significant forecast increase relates to open space contributions (\$2.2 million), which are transferred to the recreation reserve to ensure that they used for their intended purpose in the future. Other significant additional income forecasts include rates and charges (\$1.661 million), capital grants - used to fund additional capital expenditure (\$1.074 million) and interest on investments - as a result of higher available cash reserves (\$570,000). Operating grants are forecast to decrease as a result of the 2017-18 Victorian Grants Commission partial payment that was received last financial year (\$1.262 million).

Operational expenditure is forecast to decrease by \$1.05 million. Many of the forecast savings in both employee costs and materials and services relate to reductions in community care services. Additionally, management has continued to review operational expenditure to determine appropriate savings with minimal effect on service levels.

The result of the capital works program is a forecast net surplus of \$84,000, when compared to budget. This result considers additional income and carryovers between financial years.

Despite the increased surplus, a balanced financial (rate determination) result continues to be calculated. The balanced result is forecast as an amount of \$3.474 million is being transferred into the infrastructure reserve for future capital works in Council's Long Term Financial Plan (LTFP).

Quarterly financial reporting provides accountability and transparency in relation to Council's operations and capital works. Council budgets are subject to internal scrutiny, driven by regular reports to the Corporate Management Team and meetings with managers.

Background

The overall financial results show improvements when compared to budget. Council's LTFP has been updated and highlights that Council remains in a reasonable financial position and is financially sustainable in the short term.

Whilst the forecasts in 2017-18 predict a strong operational surplus, it should be noted that surpluses are expected to decline in future years of the LTFP. When compared to previous financial plans, current and projected income has been dramatically reduced as a result of rate capping.

There is also limited movement predicted in relation to income funding streams such as contributions, operating grants, user charges and fees. Council needs to address these issues, which in turn impacts Council's ability to maintain critical community assets.

Council will continue to monitor the impact of the financial results in relation to Council's overall financial viability. Current long term financial planning has been revised to include future forecasts of rating levels increasing in line with the 2.25 per cent cap announced by the Minister for Local Government in December 2017.

Strategic Alignment

The quarterly financial report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 4: A Council of excellence

- 4.2 Be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management

The quarterly financial report is also directly aligned to the Council's annual budget, LTFP, strategic resource plan and capital works program.

Policy and Previous Council Reports

Council considers quarterly financial reports at the end of the September, December (mid-year budget review), March and June (year-end) financial periods. The quarterly financial report for March 2018 is the third report considered as part of the 2017-18 financial year.

Legal/Statutory Obligations/Risk

It is good financial practice and a requirement of the *Local Government Act* 1989 (the Act) that Council is presented with regular reports on its financial performance and position during the year.

Section 138 of the Act requires that a set of financial statements be presented to an open Council meeting on a quarterly basis.

Financial and Resource Implications

The operational budget surplus for 2017-18 of \$14.616 million has increased to a \$21.168 million forecast.

The increased forecast surplus is generally a result of expected strong income, particularly in open space contributions and rates as a result of development growth. The expected increase in income is pleasing as it offsets and takes into account the 2017-18 Victorian Grants Commission partial payment that was received last financial year (\$1.262 million).

The balanced financial result is reflected in the rate determination statement, which is calculated by adding non-operational items such as capital expenditure, loan principal repayments and reserve transfers to the operational result and removing non-cash items such as depreciation.

A balanced financial result has been achieved and includes an amount of \$3.474 million transferred to the infrastructure reserve to fund future capital works in Council's LTFF.

The summary cash flow statement indicates that Council's cash and investment balance was \$70.099 million as at 31 March 2018. The original budget of \$55.028 million for 30 June 2018 has been increased to \$68.65 million due to the revised forecast. The increased forecast level of cash at year end when compared to the budget (\$13.622 million) is generally a result of:

- improved financial result in 2016-17 determined after the budget for 2017-18 was adopted (\$4.67 million)
- improved forecast financial result expected in 2017-18 (\$6.552 million). In reviewing the increase in cash, it should be noted that a significant amount of the improved result relates to income that has been quarantined in reserves for future use
- net capital works to be carried over to next year's program (\$4.461 million)

It is important to note that Council's cash reserves are increasing to cover future loan principal repayments, waste requirements (both of which are held in reserve) and growing future creditor and employee leave commitments. In addition, operational and capital works savings are being transferred to an infrastructure reserve to fund future capital works. Therefore increasing cash reserves should not be seen as an opportunity to increase spending.

The working capital ratio (current assets/current liabilities) indicates the amount that Council's short term assets exceed its short term obligations and thus Council's ability to fund its short term operations. This ratio was 311 per cent at 31 March 2018 and is expected to be 239 per cent by the end of 2017-18 compared to the original budget of 195 per cent. A current ratio over 100 per cent generally indicates a manageable short term financial position.

Capital Works Result

The result of the capital works program is a net surplus of \$84,000 compared to budget.

Capital works expenditure for the period ended 31 March 2018 was \$17.593 million compared to the year to date budget of \$17.849 million. The initial budgeted capital expenditure for the 2017-18 financial year of \$35.343 million has been decreased to a forecast of \$33.921 million, mainly due to capital expenditure that will be delayed until next financial year.

Capital income for the period ended 31 March 2018 was \$1.402 million. The initial budgeted capital income for the 2017-18 financial year of \$2.266 million has been increased to a year end forecast of \$3.788 million as a result of additional grants received.

Consultation and Communication

Council's Audit Committee, at the meeting held on 23 May 2018, will receive and note the mid year budget review and the revised 2017-18 annual budget projections.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.3.6 Draft Enterprise Digital Strategy for Public Exhibition

Directorate: Corporate Services

Appendix: 10 3rd Green

Councillor Portfolio: Smart Cities

Cr Angela Altair and Cr Peter Hemphill

Purpose

To present the first draft of the Enterprise Digital Strategy to the Community for public exhibition.

Recommendation

That Council:

1. **Note the draft Enterprise Digital Strategy and place it on public exhibition for a period of six weeks.**
 2. **Receive a further report and final draft of the Enterprise Digital Strategy, following the consideration of any public submissions received during the consultation period.**
-

Summary

Evidence demonstrates that both community and internal stakeholder expectations are driving increased demand for digital delivery of information and services, and support for business operations – all while Council resources are becoming increasingly constrained.

Hobsons Bay, in common with other Government bodies across Australia, recognise that digital technology is critical to modernising and optimising public service delivery. In this context, the goal of this Enterprise Digital Strategy is to leverage the best of digital technology to deliver a high quality public service experience, establish a risk assessed and fully costed roadmap for true digital and business transformation, and lay the foundations for a connected and sustainable smart city.

Supported by the Information and Community Technology (ICT) Strategy (currently in development), this initiative will help to achieve the goals within the Council Plan 2017-2021, and form part of the strategic foundation and framework necessary to support the Hobsons Bay Community Vision 2030.

This Enterprise Digital Strategy was developed using an evidence-based approach. The Digital Principles, Priority Areas, and Opportunities are based on extensive internal and external consultation through a combination of research and engagement methods. In line with this approach, Council seeks to present the first draft of the Enterprise Digital Strategy to the Community for review and feedback prior to submission to Council for final endorsement.

Background

In November 2017, Pario Solutions Group were engaged as Council's consulting partner for the provision of an Enterprise Digital Strategy for the Council. The desired approach to developing this strategy was evidence-based, to ensure that the needs and expectations of Council and community were identified and addressed. The evidence collected and analysed included:

- interviews with Councillors
- community survey/questionnaire
- staff consultation
- community/user feedback received through the Council website
- interviews/workshops with Hobsons Bay staff to elicit business process maps and customer journeys
- consultation with the Council's Strategy Reference Group

The outcome of this approach is a strategy which has Council and community at its core, enshrined in its vision “*(to) continually provide for the evolving needs and expectations of the Hobsons Bay community through embracing digital opportunities and cultivating a mindset of innovation*”. The strategy sets out five principles to shape the digital transformation agenda at Council and identifies three priority areas – firstly focusing on building foundational capabilities, then focusing on data as a key-enabler, then defining an enterprise improvement model to support digital transformation initiatives.

Discussion

The Hobsons Bay 2030 Community Vision sets the foundations for a progressive and innovative Council of excellence. The goal of this project is to leverage the best of digital technology to deliver a high quality public service experience, establish a roadmap for true business transformation, and lay the foundations for a connected and sustainable smart city.

By truly understanding the customer and future technology trends, these insights have been used to develop an enterprise-wide Digital Strategy and a supporting ICT Strategy respectively. The role of the ICT Strategy is to provide the internal foundations and technical capabilities to better support the Council Plan, and drive business efficiency and productivity. Leveraging Council ICT and nascent digital technologies, the role of the Enterprise Digital Strategy is to deliver better public facing digital services, and support a connected, sustainable and smart community.

The real challenge of this initiative is to deliver new and better digital services in the face of: (1) Reduced operational funding due to looming financial constraints ('Fair Go Rate system') and the need to meet increased capital spending programs, (2) Changing community expectations (e.g. better online customer experience), and (3) The need to work collaboratively within Council and across the community to deliver much need change in this space.

In response, a draft Enterprise Digital Strategy has been developed to meet these challenges by reimagining current functions and processes to transform services for Hobsons bay citizens, and make better use of digital technologies and solutions.

Strategic Alignment

This Enterprise Digital Strategy has been developed to align with the Hobsons Bay 2030 Community Vision and the Council Plan 2017-21. The vision, principles, and roadmap articulated in this digital strategy addresses all priority areas within these overarching Council strategies and plans, and will help Hobsons Bay to achieve its principal goal to be a '*progressive Council of excellence*'.

Alignment to: Hobsons Bay 2030 Community Vision

Hobsons Bay 2030 Vision Priorities	DIGITAL PRINCIPLES					
		Customer Centred	Socially Pioneering	Data Smart	Drive Collaboration	Mobile First
1 VISIONARY, VIBRANT, ACCOUNTABLE URBAN PLANNING		✓				
2 COMMUNITY WELLBEING AND INTER-CONNECTION	✓	✓				✓
3 GROWTH THROUGH INNOVATION, ACCESS TO LOCAL JOBS, TECHNOLOGY AND EDUCATION	✓		✓			✓
4 PROACTIVE ENRICHMENT, EXPANSION AND CONSERVATION OF THE NATURAL AND URBAN ENVIRONMENT		✓				
5 ACTIVATE SUSTAINABLE PRACTICES				✓	✓	
6 AN ACCESSIBLE AND CONNECTED COMMUNITY	✓	✓				✓

Alignment to: Council Plan 2017-21

Hobsons Bay City Council PLAN GOALS	DIGITAL PRINCIPLES					
		Customer Centred	Socially Pioneering	Data Smart	Drive Collaboration	Mobile First
1 AN INCLUSIVE AND HEALTHY COMMUNITY	✓	✓				✓
2 A GREAT PLACE	✓	✓				
3 A WELL DESIGNED, MAINTAINED AND ENVIRONMENTALLY SUSTAINABLE PLACE	✓	✓	✓	✓	✓	
4 A COUNCIL OF EXCELLENCE	✓	✓	✓	✓	✓	

Policy and Previous Council Reports

The draft Enterprise Digital Strategy will leverage the existing Open Data Access Policy to support citizen collaboration and help stimulate economic activity through the development of innovative online services for the benefit of community and business. The existing Information Security Policy and Privacy Policy will be utilised heavily to ensure future digital initiatives are developed with security and user privacy as mandatory requirements.

Legal/Statutory Obligations/Risk

There are no legal or statutory ramifications impacting this strategy. The strategic actions detailed in the attached document have been carefully formulated to ensure only positive impacts to the community of Hobsons Bay is delivered.

Financial and Resource Implications

The Enterprise Digital Strategy will be implemented in conjunction with a new ICT Strategy 2018. These strategies combine to produce a roadmap of initiatives that Council must undertake to address gaps in its current capabilities, uplift existing systems, and replace redundant or duplicate technologies. The Digital and ICT Strategy roadmaps have been fully costed and are achievable within the existing funding framework over a five year period.

Environmental/Social/Economic Impacts

The draft Enterprise Digital Strategy provides Council with a strategic vision and direction that supports the social, economic, health and wellbeing of communities in need.

Consultation and Communication

Consultation has occurred with Councillors, staff, and the community in relation to the development of this strategy. Further consultation with community members and other stakeholders will take place during the six week exhibition period of the draft Enterprise Digital Strategy. Feedback received during this period will be taken into consideration when finalising the strategy for final adoption. Consultation will occur in accordance with Council's Community Engagement Framework.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.3.7 Policy Review – Dogs in Public Places, Street Stalls and Collections and Zero Tolerance – Illegal Parking Around Schools

Directorate: Corporate Services

Appendix: 11 3rd Yellow

Councillor Portfolio: Not applicable

Purpose

To review Council's policies regarding Dogs in Public Places, Street Stalls and Collections and Zero Tolerance – Illegal Parking Around Schools

Recommendation

That Council:

1. **Revoke the Dogs in Public Places Policy dated 2 August 2011.**
 2. **Revoke the Street Stalls and Collections Policy dated 28 August 2012.**
 3. **Revoke the Zero Tolerance – Illegal Parking Around Schools dated 27 September 2005.**
 4. **Adopt the amended Dogs in Public Places, Street Stalls and Collections and Zero Tolerance – Illegal Parking Around Schools Policies as attached.**
-

Summary

The Dogs in Public Places, Street Stalls and Collections and Zero Tolerance – Illegal Parking Around Schools Policies (the Policies) were developed to ensure accordance with the relevant acts and laws and respond to community safety concerns.

The Policies outline Council's approach to the following:

- ensuring accordance with the *Domestic Animals Act* 1994
- how Council will approach breaches of parking laws and rules around schools
- criteria for the approval of permits for street stalls, collections, busking and spruiking

Background

There are a number of policies that complement the provision of the Community Local Law 2015. These policies have been reviewed and updated in accordance with legislation and changes to procedure. The objectives of these policies are to provide a safe and healthy environment in which residents enjoy a quality of life and use of municipal property that meet the general expectations of the community.

Discussion

Council reviewed the above policies and the following changes are recommended:

- clarification that the policy applies to both dog owners and dog walkers
- inclusion of definitions of key terms

- updated list of off-leash locations
- an amendment which requires all stallholders proposing to sell food to submit a Statement of Trade to Council's Public Health Department

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 2: Community wellbeing and inter-connection

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 2: A great place

2.2 Celebrate and promote the diversity of our community

Goal 4: A Council of excellence

4.2 Be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management

Policy and Previous Council Reports

Dogs in Public Places - 2 August 2011

Street Stalls and Collections Policy – 28 August 2012

Street Stalls and Collections Policy – 27 September 2005 and July 2006.

Legal/Statutory Obligations/Risk

Council has reviewed these policies to meet statutory and legal requirements.

Financial and Resource Implications

There is no financial impost to amend these policies.

Environmental/Social/Economic Impacts

These policies serve to prohibit, regulate and contrail activities which may be dangerous or unsafe or detrimental to the quality of life in the municipal district and behaviour which may be a nuisance or detrimental to health and safety or adverse to the enjoyment of municipal property.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

8.4 Community Wellbeing

8.4.1 Altona Early Years Hub – Lease and Service Agreement

Directorate: Community Wellbeing

Appendix: 12 3rd Blue

Councillor Portfolio: Not applicable

Purpose

To advise Council of the outcome of the statutory procedure pursuant to sections 190 and 223 of the *Local Government Act* 1989 to finalise the lease and service agreement arrangements for the Altona Early Years Hub.

Recommendation

That Council resolves to:

1. **Appoint Early Childhood Management Services as the centre management provider under Contract No 2017.83, completing the required statutory procedures pursuant to sections 190 and 223 of the *Local Government Act* 1989.**
 2. **Enter into a Transitional Agreement with Early Childhood Management Services to commence on 9 May 2018 to 31 December 2018 and**
 3. **Enter into a five-year sub lease with Early Childhood Management Services in January 2019 with the option of one further term of five years.**
-

Summary

The report outlines the statutory procedures undertaken in relation to the appointment of Early Childhood Management Services (ECMS) as the centre management provider which would result in the awarding of Contract No 2017.83 Altona Early Years Hub – Centre Management to provide early years services at the premises as indicated on the plan at Appendix One

Background

At the Ordinary Council Meeting of 13 March 2018 a report was presented to Council detailing the outcome of the tender process and recommendation to award the lease and appoint ECMS, which is a not for profit organisation, as the Centre Management Provider to deliver early years services. Council also resolved to commence the statutory procedures pursuant to sections 190 and 223 of the *Local Government Act* 1989 (the Act)

On 21 March 2018, a Public Notice of Council's Intention to Lease was published in the Maribyrnong & Hobsons Bay Star Weekly newspaper. On 18 April 2018, the Public Notice of the Intention to Lease submission period expired. There have been no submissions received.

Discussion

Upon finalising the appointment of ECMS, it is proposed that a Transitional Agreement (the Agreement) be entered into between Council and ECMS to commence from 9 May 2018.

The Agreement will define the relationship between ECMS and Council during the construction phase of the Altona Early Years Hub (the Hub) prior to ECMS taking over

management of the Hub. The Agreement also outlines the expectations of both parties during the period prior to the Hub opening and commencing operations.

The Agreement will ensure that the centre is a fully functioning centre from the first day of opening and is designed to clearly define the level of service required from the centre management provider.

With respect to the lease of the Premises, a Sub-Lease will be entered into between the Minister of Education, Council and ECMS upon the following terms and conditions:

Lease Term: Five (5) years with one Five (5) year option

Rental: Year 1 Rental: \$150,000 plus GST

Year 2 Rental: \$154,500 plus GST

Year 3 Rental: \$159,135 plus GST

Year 4 Rental: \$163,909 plus GST

Year 5 Rental: \$168,826 plus GST

Outgoings: The lessee to be responsible for all rates, taxes, charges and levies imposed during the lease period and any additional taxes which may be introduced during this period

The Sub-Lease attaches an Operational Agreement defining the roles and responsibilities of the Centre Management Provider and Council in relation to the operation of the Hub and establishes the expectations and deliverables of both parties in the management of the facility and provision of early years' services.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Hobsons Bay 2030 Community Vision

Priority 3: Growth through innovation, access to local jobs, technology and education

Priority 4: Proactive enrichment, expansion and conservation of the natural and urban environment

Priority 5: Activate sustainable practices

Priority 6: An accessible and connected community

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

Goal 1: An inclusive and healthy community

1.1 Provide access to high quality services that enhance community health and wellbeing

Goal 2: A great place

2.3 Support the growth of our local economy, and encourage business investment that creates and maintains local jobs

Goal 3: A well designed, maintained and environmentally sustainable place

- 3.2 Deliver and maintain well-designed, accessible and environmentally sustainable community assets

Goal 4: A Council of excellence

- 4.2 Be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management

Consultation and Communication

Public Notice of the Intention to Lease was advertised in the Maribyrnong and Hobsons Bay Star Weekly Newspaper on 21 March 2018, no submissions were received.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter

8.5 Infrastructure and City Services

8.5.1 Contract No. 2017.75A Electricity for Large Buildings

Directorate: Infrastructure and City Services

Councillor Portfolio: Not applicable

Purpose

To award Contract No. 2017.75A being for the provision of electricity to large buildings.

Recommendation

That Council award the contract for the provision of electricity for large buildings to ERM Power Retail Pty Ltd based on the estimated cost of \$1,811,861 (GST inclusive) for a period of 36 months.

Summary

The supply of electricity to large metered sites contract expired 31 December 2017. A public tender process was conducted through MAV Procurement who acted as agent on behalf of 27 Victorian Councils. Due to the volatility in the market all tenders received included rates that are approximately 25 per cent higher than the previous contract, this represents the current changes in the power retail industry.

The contract is for a period of 36 months, commencing on 1 January 2018.

Background

The Council engaged the services of the MAV to act as an agent to manage the public tender process for the Supply of Electricity to Large Buildings for 27 Victoria Councils. The existing contract expired on 31 December 2017. On 1 December 2017, council informed TTEG Council's intent to enter into the new agreement subject to Council approval. MAV required Council's acceptance of the intention to accept purchase from ERM Power based on the most attractive supply package and highest weighted score by 1 December 2017. This timing was crucial to ensure the rates were locked in for the 36 month period commencing 1 January 2018. Subsequently the letter of intent was provided to MAV and this is the first opportunity to present this to Council.

Council authorised the MAV to seek data and information via the Trans-Tasman Energy Group (TTEG) regarding Council's current large buildings electrical usage. The tender evaluation process was also conducted by TTEG. The contract is for the supply of electricity for a period of 36 months.

Each of the four tenders reflected kilowatt per hour costs of approximately 25% more than previous rates however there was a slight variance between the each of the retailer rates. Volatility in the National Electricity Market reached historic levels in quarter one and two in 2017. The market continued its rapid upward trend up until May – June 2017 where there was some downward movement across most states.

Discussion

This Contract is for the supply of electricity to large metered sites that have a supply demand greater than 160MWh per annum. The Council has 7 buildings that meet this consumption

requirement and they are, the Altona Civic Centre, Altona, Altona Meadows and Williamstown Libraries, Williamstown Cricket Ground, Williamstown Town Hall and the Laverton Hub.

As a result of the tender process four (4) companies provided a tender response, Trans-Tasman Energy Group conducted an in depth evaluation of each submission on behalf of the involved Councils. Tenders were evaluated in accordance with the evaluation criteria.

It is important to note that whilst the tendered rates represents the best pricing available in the current market, they are considerably higher than existing rates due to significant market volatility since the last round of tendering. The peak kilo watt per hour rate has increased by approximately 25 per cent. ERM submitted the most attractive offer for the 36 month period and has offered a flat rate for the period of the term compared to the remaining retailers who offered stepped rates throughout the term of the contract. In addition ERM offer provides generous site Roll-in/out allowance of +/-20 percent.

Council informed TTEG on 1 December 2017 accepting ERM's offer subject to acceptance at Ordinary Council Meeting in May 2018.

Strategic Alignment

This report specifically addresses the following priorities of the Hobsons Bay 2030 Community Vision:

Priority 5: Activate sustainable practices

This report specifically addresses the following goals and objectives of the Council Plan 2017-21:

- 4.2 Be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management

Policy and Previous Council Reports

The awarding of contract 2017.75A through a public tender process complies with Council's Procurement Policy.

Legal/Statutory Obligations/Risk

The awarding of contract 2017.75A through a public tender process complies with section 186 of the *Local Government Act* 1989, which stipulates that a Council must publically advertise and invite tenders for services over the value of \$150,000 as fixed by an Order in Council.

It is acknowledged that Council is supporting an in-principle commitment already agreed to with MAV. Should Council choose to conduct its own tender process however Council would be disadvantaged due to cost efficiencies, further time constraints and reputational damage.

Financial and Resource Implications

The estimated price increases impact Council's operational budget for this provision and subsequently this will be adjusted in the 2018/2019 budget. It is evident that service costs are increasing and this is not isolated to electricity for large sites as power costs increased similarly across all tariff sectors.

Environmental/Social/Economic Impacts

ERM meet the mandated Government requirements by providing certificates from Large-scale renewable energy target (LRET), Small-scale renewable energy scheme (SRES) and

the *Victorian Energy Efficiency Target Act 2007* (VEET). The purchase of the certificates subsidises the renewable energy market and ensures retailers meet their renewable energy obligations.

Consultation and Communication

The tender evaluation report for contract 2017.75A was presented to Council's Tender Board on Friday 23 March 2018. The Tender Board agreed with the tender evaluation panel's recommendation to award the contract to ERM Power Retail Pty. Ltd subject to Council approval.

Officer Declaration of Conflict of Interest

Section 80C of the *Local Government Act 1989* requires members of Council staff and persons engaged under contract to provide advice to Council, to disclose any direct or indirect interest in a matter to which the advice relates.

Council officers involved in the preparation of this report have no conflict of interest in this matter.

9 Delegates Report

Purpose

To consider reports by Councillors who have been appointed as delegates to Council and community committees.

Recommendation

That Council receive and note the recent Delegates Report.

Metropolitan Transport Forum

4 April 2018

Councillor Delegate: Cr Jonathon Marsden

A presentation was received from John Hearsch, President of the Rail Futures Institute on a proposed Melbourne Airport rail link and their vision for future rail projects in Melbourne. Their proposed route for the airport rail link is the preferred option of the current Victorian Government as it provides a direct link to the CBD through Sunshine. The rail link would use existing corridors, provide a fifteen minute journey every ten minutes at an average speed of 106km/h. To provide additional linkages to regional Victoria, it is proposed to add capacity to the Bendigo and Seymour lines as well as capacity for future high-speed interstate rail. By stopping at Sunshine and Southern Cross Stations, all Melbourne train lines could access the airport. Rail Futures argued against a rail link via the Maribyrnong Defence Site and Westmeadows due to smaller benefit-cost ratios.

The Rail Futures Institute also provided a vision of *Rail for Melbourne at 8 million – a 25 year plan*. This highlighted the need for a rapid expansion of public transport to meet Melbourne's anticipated population growth and a change to the current radial network. Of most relevance to Hobsons Bay was Melbourne's Metro 2 which was deemed the next most urgent project following the Airport Link. A proposed alignment would go beyond Newport to Laverton, Werribee and Wyndham Vale in the west, interchange with Melbourne Metro 1 at Parkville and connect to the South Morang/Mernda line in Melbourne's north east.

The MTF executive is working on a series of town hall forums to be held in the lead up to this year's election. At least one forum will be held in the west although the exact locations are not yet confirmed. The Newport Community Hub was proposed as a potential location for a forum.

The MTF is also advocating for the 'Billions for Bus' initiative to secure additional funding for more effective bus services across Melbourne. They are currently looking for success stories and opportunities for improvement.

LeadWest**11 April 2018****Councillor Delegate: Cr Jonathon Marsden**

A meeting of the LeadWest Board was held at Moonee Valley City Council on 11 April 2018.

The Board discussed the external stakeholder membership of its newly formed sub-committee groups, particularly in relation to the broad remit of the education and economic development group.

With the term of the independent Chair Anne Barker due to expire in July, the Board discussed and agreed a process for appointing the next Chair of LeadWest.

Updates were provided on the advocacy campaigns currently under way in the lead up to the state election later in the year. The Time for the West public transport campaign has been receiving strong coverage across all forms of media.

RoadSafe Westgate Community Road Safety Council**18 April 2018****Councillor delegate: Cr Sandra Wilson****Petition**

Community petition received by Hobsons Bay Council seeking additional traffic signal treatments to the existing pedestrian crossing on Mason Street Newport in close proximity to Schutt Street.

Traffic Assessments

Completed traffic assessments are currently being analysed to determine future treatments for The Esplanade Williamstown and on the Altona Esplanade near Pier Street. These investigations were instigated following reports of safety concerns and hooning behaviour.

Proposed OSARS Western Package

Preliminary briefing received from VicRoads/Netflow on the proposed Outer Suburban Arterial Roads (OSARS) Western Package and specifically inclusions within Hobsons Bay. Further advocacy is required to address priority items identified by the community.

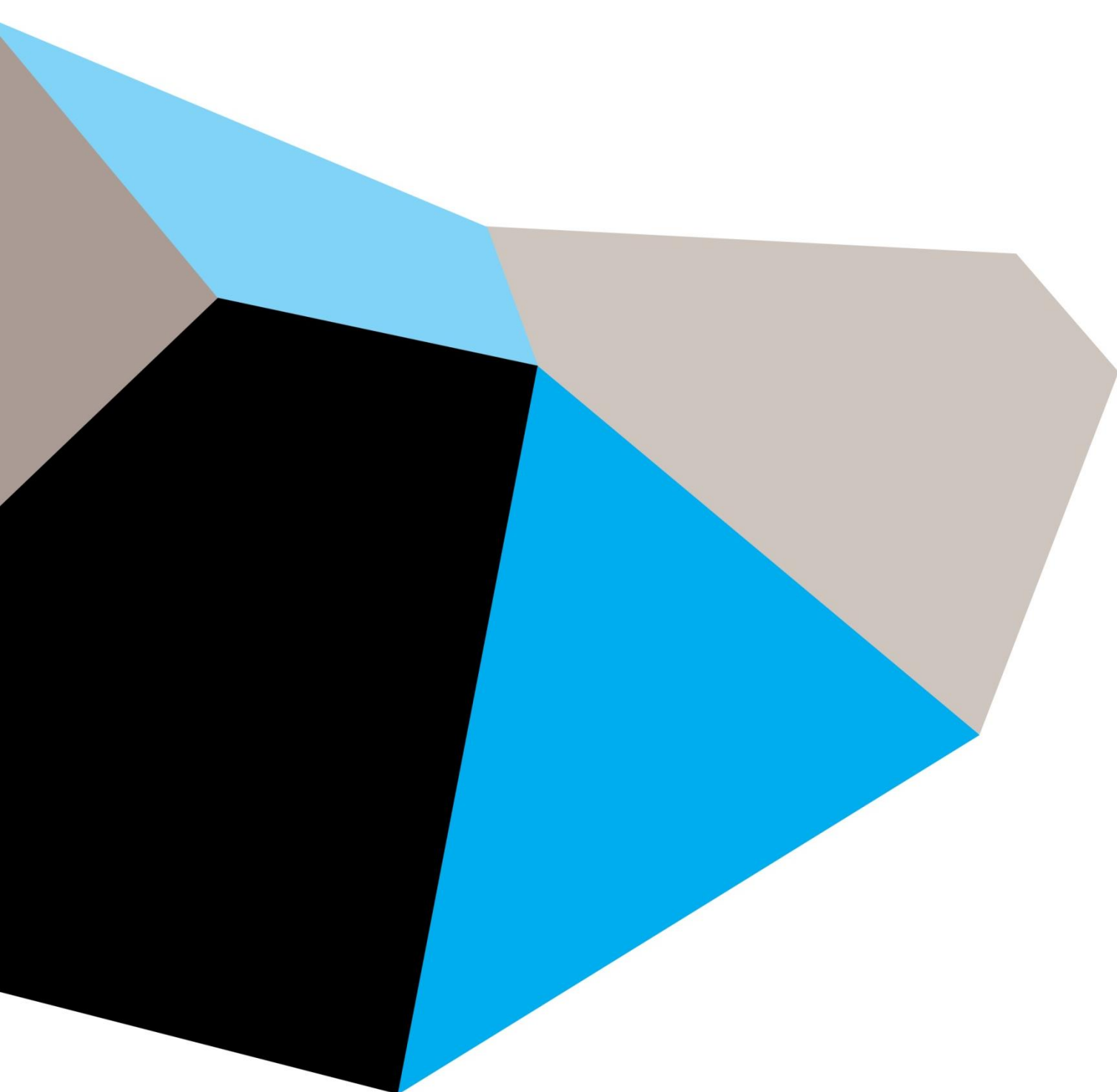
10 Supplementary Public Question Time

Supplementary public question time provides an opportunity for the public to ask questions directly related to items on the agenda that have arisen during the evening's proceedings.

Where it is not possible to provide a response during the meeting, a written response to the question will be provided promptly.

Written public questions received during the Council meeting that are not related to items on the agenda will be taken on notice and responded to in writing by the appropriate Council officer, or referred to the next Ordinary Council meeting for a public response if so requested by the questioner.

11 Other Business



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