



# Alpine Shire

**ORDINARY COUNCIL MEETING**

**MINUTES**

**M9 – 4 September 2018**

**Bright Council Chambers**

**7:00pm**



The next **Ordinary Meeting** of the **Alpine Shire Council** was held in the Council Chambers, Great Alpine Road, Bright on **4 September 2018** commenced at **7:00pm**.

## **PRESENT**

### **COUNCILLORS**

Cr Ron Janas – Mayor

Cr John Forsyth

Cr Kitty Knappstein

Cr Tony Keeble

Cr Daryl Pearce

Cr Peter Roper

### **OFFICERS**

Mr Charlie Bird – Chief Executive Officer

Ms Nathalie Cooke – Director Corporate

Mr William Jeremy – Director Assets

### **APOLOGIES**

Cr Sarah Nicholas – Deputy Mayor



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## **1 RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS**

*The CEO will read the following statement:*

All council meetings are filmed with both video and audio being recorded.

Video is focused on a specific area however audio from the entire room is captured.

By speaking during question time, or at any time during the meeting, you consent to your voice and any comments you make being recorded.

In common with all narrative during council meetings verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes.

The reasoning behind recording council meetings is of course to hold us more accountable and improve transparency of council's decision making to our community.

The full meeting is being streamed live on Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

## **2 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS, AND RECOGNITION OF ALL PEOPLE**

*The CEO will read the following statement:*

The Alpine Shire Council acknowledges the traditional owners of the land we are now on.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

## **3 CONFIRMATION OF MINUTES**

### **3.1 ORDINARY COUNCIL MEETING – M8 – 7 AUGUST 2018**

*Cr Keeble*

*Cr Knappstein*

*That the minutes of Ordinary Council Meeting M8 held on 7 August 2018 as circulated be confirmed.*

*Carried*

## **4 APOLOGIES**

Cr Sarah Nicholas

## **5 OBITUARIES / CONGRATULATIONS**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au) for its YouTube live-streaming recording for responses to questions.



## **6 DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.

## **7 PUBLIC QUESTIONS ON AGENDA ITEMS**

Questions on Notice will be limited to two questions per person.

Questions on Notice can be written or from the floor.

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its YouTube live-streaming recording for responses to questions.



## **8 PRESENTATION OF REPORTS BY OFFICERS**

### **8.1 CHIEF EXECUTIVE OFFICER – CHARLIE BIRD**

#### **8.1.1 Contracts approved by the CEO**

*Cr Keeble*

*Cr Forsyth*

*That the Contracts approved by the CEO be noted.*

Contract No:	CT18023	Process:	Public Tender
Title:	Mount Beauty Pool Facility - retiling of the main, intermediate and toddler pools and repair and repainting of the concrete concourse.		
Tenderer:	Farley Pools		
\$ (excl. GST):	\$134,920.94		

*Carried*



## 8.2 DIRECTOR ASSETS – WILLIAM JEREMY

### 8.2.1 Dinner Plain Event Funding Program 2018/19

File Number: 1608.12

#### INTRODUCTION

This report relates to the allocation of financial sponsorship to events at Dinner Plain for the 2018/19 financial year.

*Cr Keeble*

*Cr Pearce*

*That Council:*

#### *1. Allocates financial sponsorship to events at Dinner Plain as follows:*

<i>EVENT NAME</i>	<i>APPLICANT</i>	<i>FUNDING</i>	<i>PROMOTION (BY COUNCIL)</i>
<i>Dinner Plain Mountain Bike Enduro</i>	<i>DP Riders</i>	<i>\$5,000</i>	<i>\$850</i>
<i>Sled Dog Challenge</i>	<i>Altitude 5000</i>	<i>\$5,500</i>	<i>\$230</i>
<i>Easter Festival</i>	<i>Alpine Shire</i>	<i>\$6,000</i>	<i>\$1,130</i>
<i>Flickerfest</i>	<i>Alpine Shire</i>	<i>\$5,000</i>	<i>\$730</i>
<i>New Year's Eve Fireworks and Entertainment</i>	<i>Alpine Shire</i>	<i>\$6,000</i>	<i>\$530</i>
<i>Snow Season Opening Weekend Fireworks and Entertainment</i>	<i>Alpine Shire</i>	<i>\$6,000</i>	<i>\$530</i>
<i>Sub total</i>		<i>\$33,500</i>	<i>\$4,000</i>

#### *2. Provides delegation to the Chief Executive Officer for distribution of the residual funds, \$12,500.*

*Carried*

#### BACKGROUND

Council allocated \$50,000 in its 2018/19 budget to assist with the delivery of events in Dinner Plain. Events are vitally important for the economy of Dinner Plain and a key driver of tourism, particularly in the green season.

The recommendation for funding is to support a mixture of event types spread over the year. These include existing successful events and emerging events designed to attract visitation by targeting key school holiday and public holiday periods.

An event funding assessment panel comprising Dinner Plain residents and business owners met to discuss the allocation of funding, and they support the recommendations as outlined in this report.

Attracting event organisers to Dinner Plain is challenging, but ongoing event activity is critical for Dinner Plain's economy. Some events identified for funding have been





proposed by Alpine Shire Council as a means of supporting the Dinner Plain economy. All events proposed by Alpine Shire Council are free events and are targeted at holiday periods.

The \$33,500 amount recommended to be provided to events is to assist event organisers with event delivery. The additional \$4,000 amount recommended for promotion of events will be promotion that will be coordinated by Council and particularly for those events being delivered by Council.

## ISSUES

Focal Promotions was contracted by Council to deliver the Geebung Polo event for a five year period with the last year of the contract being in the delivery of the 2018 event. Focal Promotions did not apply for funding to continue with the delivery of this event in 2019. Community consultation is underway to seek feedback to assist in shaping plans for the event into the future.

## EVENT INFORMATION

### Overview

The following table outlines the events that applied for funding, the amount requested, and the amount recommended.

EVENT NAME	REQUESTED FUNDING	RECOMMENDED FUNDING
MTB Enduro & Funduro	\$5,000	\$5,000
Sled Dog Challenge	\$6,000	\$5,500
Easter Festival	\$6,000	\$6,000
Flickerfest / Australia Day	\$5,000	\$5,000
New Year's Eve Fireworks and Entertainment	\$6,000	\$6,000
Snow Season Opening Weekend Fireworks	\$6,000	\$6,000
<b>Sub total</b>	<b>\$34,000</b>	<b>\$33,500</b>
<b>Promotion</b>		<b>\$4,000</b>
<b>Events budget</b>		<b>\$50,000</b>
<b>Balance</b>		<b>\$12,500</b>

## POLICY IMPLICATIONS

The Dinner Plain Event Funding program is consistent with the following strategic objective in the Council Plan 2017-2021:

- A thriving and connected community.



## **FINANCIAL AND RESOURCE IMPLICATIONS**

The recommended funding allocation for events in Dinner Plain is within the adopted budget of \$50,000 for the 2018/19 financial year. It is recommended the balance of \$12,500 be left unallocated, considered for event opportunities that may arise this financial year, and allocated accordingly at the discretion of the Chief Executive Officer. This may include consideration of funding for a Geebung Polo event in 2019.

## **CONSULTATION**

The events and recommended funding amounts were submitted in a report to a panel of Dinner Plain residents and business owners and discussed at a meeting on 17 August 2018. The panel has endorsed the requests put forward in this report.

## **CONCLUSION**

Events are a key driver of visitation to Dinner Plain and investment in event activities is essential to support the Dinner Plain economy.

The recommended allocation of funding for events in Dinner Plain in 2018/19 has been endorsed by a panel of Dinner Plain community and business representatives.

## **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Economic and Community Development

## **ATTACHMENT(S)**

- Nil



## 8.2.2 Supply and Delivery of Emulsion

File Number: CT18043

### INTRODUCTION

This report relates to the award of a contract for the supply and delivery of bitumen emulsion to the Alpine Shire Council.

*Cr Pearce*

*Cr Forsyth*

*That Council awards Contract No. 1804301 for the 'Supply and Delivery of Emulsion' to Downer EDI Works for a three year period at tendered rates and subject to rise and fall linked to the price movement in bitumen as published by Bitumen Importers Australia.*

*Carried*

### BACKGROUND

Alpine Shire Council uses approximately 100,000 litres of bitumen emulsion each year to maintain its sealed road and path network. A three year supply contract expired on 21 August 2018, and Council sought tenders for a new supply contract.

The Invitation to Tender was advertised in local newspapers, on tenders.net and on the Alpine Shire Council website. Tenders opened on 10 July 2018 and closed on 7 August 2018. The tender documents were downloaded by three suppliers, and one tender was received, containing both conforming and non-conforming offers.

### EVALUATION

The evaluation panel comprised Council's Director Assets, Manager Asset Maintenance and Civil Works Coordinator. The tender was evaluated in accordance with the key selection criteria listed in the Invitation to Tender:

- Price
- Qualifications and Previous Performance
- Delivery
- Social

Following an initial assessment of the offers received, the tenderer was asked to clarify aspects of their tender, including providing further detail on the rise and fall option in the non-conforming tender. Following these clarifications, it was determined that the non-conforming tender from Downer EDI Works presented the best value for Council.



## **ISSUES**

The tenderer has presented two options in their tender submission:

- Conforming offer: Fixed supply rate, subject to annual CPI increase; and
- Non-conforming offer: Variable supply rate, subject to a 'rise and fall' calculation.

Based on the tendered rates, the non-conforming offer represents a discount of 10-11% over the conforming offer, equivalent to approximately \$9,000 per annum.

Under the non-conforming offer, Council would carry the risk/benefit of price movements, with the rate linked to price movements in bitumen as published by Bitumen Importers Australia. The price of bitumen is influenced by demand, currency fluctuations and the oil price, and it is not easy to forecast what future movements are likely to be.

Over the previous three (3) years there have been six (6) months with price decreases, nine (9) with price increases and 21 with no movement in price. If the same change in price were to occur over the coming three (3) year period, then Council would benefit from awarding a contract based on a variable supply rate subject to rise and fall, rather than a fixed price with annual CPI increases.

## **POLICY IMPLICATIONS**

The tender was advertised and evaluated in accordance with Council's Procurement Policy.

The recommendation is consistent with the following strategic objective in the Council Plan 2017-2021:

- Infrastructure and open space that our community is proud of.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

The approximate annual cost of bitumen supply to Council is \$90,000+GST. There is sufficient provision within the 2018/19 budget to cover the cost of this contract.

## **CONSULTATION**

The tender evaluation panel engaged with Downer through the tender clarification process, and carried out research to independently verify recent trends in and key influences on bitumen pricing.



### **CONCLUSION**

Following a comprehensive assessment, the non-conforming tender from Downer EDI Works is considered to be the best value option for Council.

### **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Asset Maintenance
- Civil Works Coordinator

### **ATTACHMENT(S)**

- Nil



### 8.2.3 Provision of public toilets and amenities in Tawonga South

File Number: 1547.04

#### INTRODUCTION

The purpose of this report is to provide a progress update on the investigation into the development of new public toilets and amenities in Tawonga South.

*Cr Keeble*

*Cr Roper*

*That Council:*

- 1. Continues to engage with landholders in Tawonga South in order to secure access to a suitable development site; and*
- 2. Incorporates the implementation of new public toilets and amenities as an integral component of the future Alpine Better Places Tawonga South project.*

*Carried*

#### BACKGROUND

There are no public toilets in Tawonga South. The nearest public toilets to the Tawonga South CBD are located in Mount Beauty CBD, approximately 1.2km to the south east, and in Tawonga Pioneer Memorial Park, approximately 6km to the north.

A petition in support of the provision of public toilets and amenities in Tawonga South was tabled at the February 2018 Ordinary Council Meeting.

The petition contains the signatures of 837 residents and visitors and states:

*"We the undersigned, being residents of the Upper Kiewa Valley, visitors and general members of the public, call on the Alpine Shire Council to urgently provide amenities, including public toilets, parking and picnic area in the town business centre of Tawonga South (being the section of Kiewa Valley Highway from Simmonds Creek Road to Vails Road)".*

A report was tabled at the March 2018 Ordinary Council Meeting responding to the petition. The recommendations carried in this report were that Council:

- 1) Continues to investigate options to develop new public toilets in Tawonga South, acknowledging the limited options which are available; and
- 2) Provides a progress update at the September 2018 Ordinary Council Meeting.

#### ISSUES

Council does not own land or have access to any Crown Land within Tawonga South CBD suitable for establishing public toilets and amenities. This limits the available options for developing these facilities.



Council Officers have consulted with stakeholders in Tawonga South CBD in order to negotiate access to suitable land for development, with three promising leads being progressed over recent months.

One of these leads initially appeared very promising, and would have potentially provided an opportunity for public toilets, parking and amenities to have been established in a prime Tawonga South CBD location, with the possibility of a future pedestrian footbridge connection to the pondage walk. However, the landholders subsequently withdrew their interest.

One lead relies on the support of VicRoads to allow public toilets to be developed on land adjacent to the Kiewa Valley Highway. There is sufficient land available for public toilets to be established in the identified location, however insufficient for additional public parking or for other amenities. VicRoads in-principle support and list of development conditions has been sought. Informal engagement with an adjacent landholder has established that this option would be strongly opposed.

The third lead results from an approach made to Council by a potential investor. Discussions are at a very early stage, and Council Officers will continue to engage and explore opportunities for a mutually beneficial outcome.

Council remains receptive to approaches by members of the public, existing and potential business operators and investors, providing further leads to explore.

### **POLICY IMPLICATIONS**

This recommendation is in consistent the following strategic objective of the Council Plan 2017-2021:

- Incredible places for our community and visitors.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

There is no allocation in the 2018/19 capital works budget for the construction of a new public toilet and amenities block in Tawonga South.

Council's project pipeline includes the implementation of an Alpine Better Places Tawonga South project, with tentative timeframe for delivery of the scoping and design element of the project falling within the term of the current Council.

There appears to be good alignment between the objectives of the Alpine Better Places portfolio of projects and the implementation of public toilets, additional off-street parking and picnic area in Tawonga South.

Subject to concluding the negotiation of access to a suitable development site within a compatible timeframe, it is recommended that the scoping and delivery of public toilets, parking and picnic area, be implemented as an integral component of the Alpine Better Places Tawonga South project.

### **CONSULTATION**

Council Officers have consulted with landholders in Tawonga South CBD in order to negotiate access to suitable land for development. Two leads are currently being progressed.



Following the identification of suitable land for development, a stakeholder engagement plan will be developed and implemented during the scoping of the project. This plan would include engagement with the local business community and residents in the Kiewa Valley.

### **CONCLUSION**

A petition with 837 signatures has been received in support of the provision of public toilets and amenities in Tawonga South. Council continues to explore opportunities to secure access to a suitable development site.

### **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets

### **ATTACHMENT(S)**

- Nil





## 8.2.4 McNamara Reserve Netball and Tennis Facilities

File Number: CT18041

### INTRODUCTION

This report relates to the award of a contract for the construction of the McNamara Reserve Netball and Tennis Facilities. The work includes demolition of the existing amenities block and construction of upgraded netball and tennis facilities at McNamara Reserve in Myrtleford.

*Cr Keeble*

*Cr Roper*

*That Council awards Contract No. 1804101 for Construction of McNamara Reserve Netball and Tennis Facilities to Barton Street Developments for the Lump Sum price of \$548,628+GST.*

*Carried*

### BACKGROUND

In August 2016, Council sought funding from Sport and Recreation Victoria to deliver a new multi-sports facility to replace the existing amenities building at the multi-use courts at McNamara Reserve, Myrtleford. The project was in response to a need identified by key stakeholders for an upgraded, Disability Discrimination Act (DDA) compliant and female friendly amenities building.

In August 2017, Council engaged an architect to progress the design and documentation of the facility. The consultation and design development stage of the project was completed in May 2018, and tenders subsequently invited for construction.

The Invitation to Tender was advertised in the Herald Sun and Border Mail on Wednesday 20 June 2018, and on the tenders.net and Alpine Shire Council websites. Tenders closed on Wednesday 25 July 2018.

The Tender documents were downloaded by 25 prospective tenderers and two tender submissions were received.

### EVALUATION

The evaluation panel consisted of the Director Assets, Manager Asset Development and the Project Manager.

The Tenders were evaluated according to the key selection criteria listed in the Invitation to Tender:

- Price
- Qualification & Previous Performance
- Delivery
- Social



Following the initial assessment of offers, only one of the tenders was shortlisted to take part in further evaluation. The tenderer was invited to clarify aspects of their tender and provide further detail on their proposed program including their ability to meet the required timeframes. Following the tender interview it was determined that the tender from Barton Street Developments best met the selection criteria.

## **ISSUES**

McNamara Reserve user groups have notified Council of their preferred construction window of October 2018 to March 2019. Construction during this period will present the least disruption to scheduled netball and tennis matches, including the Easter Tennis Tournament. Barton Street Developments has confirmed their ability to meet this construction timeframe.

Award of the contract as recommended will result in a significant cost overrun against the project budget. The key factors contributing to this cost overrun are:

- A number of significant items were omitted from the cost estimate developed during the concept design phase, and this cost estimate was then used to establish the overall project budget and seek external grant funding;
- Market rates achieved through the tender process are significantly higher in a number of areas than was assumed at the concept design stage; and
- A low level of contingency was applied to the concept design cost estimate, which wasn't reflective of the level of uncertainty that remained in the project at this early stage.

It is unknown whether re-tendering the construction scope will result in a more competitive outcome, however it will result in the nominated construction window being missed and a 12 month delay in the delivery of the project.

## **POLICY IMPLICATIONS**

The tender was advertised and evaluated in accordance with Council's Procurement Policy.

This recommendation is in consistent the following strategic objective of the Council Plan 2017-2021:

- Incredible places for our community and visitors.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

The total project budget is \$500,000, comprising \$100,000 of grant funding from Sport and Recreation Victoria, with the balance of \$400,000 being funded by Council.

Based on the recommended contract award price of \$548,628, the forecast completion cost of the project is \$736,135, which represents a forecast cost overrun of \$236,135 against the approved project budget.

The forecast cost overrun can be accommodated in Council's long-term financial plan, however it will result either in a reduction in the working capital ratio, or the requirement to defer delivery of planned capital projects beyond 2018/19.



## **CONSULTATION**

The highest priority action recommended in the 2012 McNamara Recreation Reserve Masterplan was “upgrade the multi-use courts amenities building with a particular focus on improving the toilets and installing fully accessible facilities”.

Council Officers have worked closely with the McNamara Reserve Committee, user groups and the appointed architect to identify the requirements of each group. Several conceptual design workshops were conducted and a final floorplan and layout agreed by all parties in December 2017.

Throughout the detailed design and documentation phase, Council has continued to engage with all key stakeholders. Continuing project updates will be distributed via email and on Council's website and Facebook page. The implementation of the project stakeholder and communication plan will continue throughout the duration of the project.

## **CONCLUSION**

Following a comprehensive tender assessment, the tender from Barton Street Developments was deemed to present the best value for Council.

## **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Asset Development
- Project Manager

## **ATTACHMENT(S)**

- Nil



## 8.2.5 Bright Car Parking Plan

File Number: 01761.02

### INTRODUCTION

This report relates to the adoption of the Bright Car Parking Plan by Council.

*Cr Keeble*

*Cr Knappstein*

*That Council adopts the Bright Car Parking Plan.*

*Carried*

### BACKGROUND

In response to feedback from members of the community about increasing demand being placed on existing car parking, Council committed to develop a car parking plan for Bright.

The project commenced with community consultation in October 2017, followed by data collection in January and March 2018. The draft car parking plan was released for community consultation in June 2018.

All submissions to the draft plan have now been considered, and amendments made to the draft plan where practicable and aligned with the objectives of the plan. The plan was finalised in August 2018.

Following adoption, discrete projects identified in the plan will be added to Council's project pipeline for delivery within the timeframes identified in the plan.

### ISSUES

The following changes were made to the draft car parking plan as a result of community feedback:

- Existing all day parking has been retained in Riverside Avenue, and the proposed bus loading/unloading zone relocated to Mountbatten Avenue;
- The proposed bus zone in Railway Avenue (adjacent to the Community Centre) has been converted to a loading zone;
- A new disabled space has been added to the southern end of Ireland Street;
- The parking layout in Riverside Avenue will be formalised, and a pedestrian crossing added at the end of Riverside Walk to improve pedestrian safety;
- A bus loading/unloading zone has been added in the Burke Street car park;
- Pedestrian access will be improved along Masciorini Lane to better connect Toorak Road to Star Road; and
- Pedestrian crossings in Star Road, Camp Street and Mountbatten Avenue will be improved.



Additionally, the proposed timeframe for implementation of the following improvements was brought forward:

- Upgrade and extend footpaths on Wood Street;
- Improve walkways between Burke, Ireland and Wills Streets; and
- Upgrade pedestrian crossings in Gavan Street.

A number of community members have been critical of the consideration which had been given to both cyclist and pedestrian movements within the development of the car parking plan. Equally, Council received feedback which was strongly supportive of the multi-faceted approach, and particularly in relation proposals supporting cyclists and pedestrians as a transport mode.

### **POLICY IMPLICATIONS**

This recommendation is consistent with the following strategic objective in the Council Plan 2017-2021:

- Incredible places for our community and visitors.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

The estimated cost to deliver all of the projects identified in the plan is \$1.3m; however adoption of the plan has no implications for the 2018/19 budget or resourcing.

Discrete projects identified in the plan will be added to Council's project pipeline for delivery within the timeframes identified in the plan, and considered in the development of future budgets.

### **CONSULTATION**

The community has been involved in the development of the car parking plan during two rounds of consultation:

- Community input was sought in October 2017 at two drop-in sessions. Approximately 40 people attended the sessions, with 20 written submissions received.
- In June and July 2018 two further drop-in sessions were held and the community was invited to provide comment on the draft plan. Approximately 20 people attended the two drop-in sessions, with 14 written submissions were received.

Additional consultation was conducted with directly affected businesses and stakeholders, and further engagement will be necessary through the implementation of each component of the plan.

### **CONCLUSION**

The Bright Car Parking Plan has been established following a robust process of community engagement supported by data gathering.



Implementation of the discrete projects recommended in the plan will deliver a measureable response to the challenges currently being experienced with parking in Bright.

**DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers, and contractor, declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Asset Development
- Project Manager

**ATTACHMENT(S)**

- 8.2.5 Bright Car Parking Plan, August 2018



### **8.3 DIRECTOR CORPORATE – NATHALIE COOKE**

#### **8.3.1 Long Term Lease for the Management and Operation of the Myrtleford Holiday Park**

File Number: CT18001

##### **INTRODUCTION**

This report details the recommendation for Council to enter into a long term lease with Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary of Sustainable Park Solutions Pty Ltd) for the Management and Operation of the Myrtleford Holiday Park.

*Cr Keeble*

*Cr Forsyth*

*That Council:*

- 1. Subject to Ministerial Approval, enter into a Long Term Lease with Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary of Sustainable Park Solutions Pty Ltd) for the Management and Operation of the Myrtleford Holiday Park as follows;*
  - a. Purchase of Assets and Lease Premium - \$290,000 excluding GST;*
  - b. Commencement rent - \$50,000 per annum excluding GST;*
  - c. Capital Works over the life of the lease - \$1,272,629 excluding GST;*
  - d. 21 year lease, commencing 10 September 2018;*
  - e. Estimate life of lease income -\$1,300,000 excluding GST.*
- 2. Sign and seal the Lease at the appropriate stage of the meeting.*

*Carried*

##### **BACKGROUND**

Alpine Shire Council is the Committee of Management of the Myrtleford Holiday Park (the Park) pursuant to the *Crown Land (Reserves) Act 1978*. The Park is currently operated by Alpine Shire Council. The Myrtleford Holiday Park Business Plan developed in 2014 called for a program of works to be undertaken over the following three (3) years and a subsequent market test for the long term lease of the Management and Operation of the Park. Council has subsequently undertaken approximately \$360,000 of upgrade/new works including upgrade of the camp kitchen, bunk houses, amenity block and the installation of two new two bedroom cabins, two double ensuite units and some hard stand areas in lower lying sections of the Park.

Tenders were invited for the long term lease of the Park in September 2017. This process resulted in one conforming submission which was not considered good value and not progressed. Feedback was sought from a number of parties who had



downloaded tender documentation and as a result some changes were made to the tender criteria particularly as it related to tenant improvements.

A new invitation for tender process was conducted in January/February 2018.

The Park is an important and popular tourist asset and the awarding of a long term lease represents a significant opportunity for Alpine Shire Council to achieve long term capital improvements and the development of a high quality tourist experience.

The lessee will be required to manage the operations and use of the Park in a professional manner and in accordance with all laws, guidelines and regulations and subject at all times to the terms as specified in the Lease.

In leasing the Premises some of Council's key objectives are to:

- Maximise financial return and long term financial benefit to Council;
- Make available to members of the general public an affordable and high quality caravan and camping facility;
- Ensure the use of the premises optimises its exceptional location and is compatible with surrounding uses and the requirements of Council;
- Ensure the long term sustainability and viability of the Myrtleford Holiday park; and
- Ensure continued community access to, and benefit from, the Premises.

The invitation to tender was advertised in the Alpine Observer and Myrtleford Times on 17 January 2018 and through tenders.net. The tender was also advertised on the Victoria Caravan Parks Association online billboard and emailed directly to a number of local and multi-site park operators.

Tenders documents were subsequently downloaded by 17 parties, two of which returned conforming tenders.

Tenders were evaluated according to the selection criteria listed in the Invitation to Tender, including:

- Proposed capital works, purchase price for equipment and assets, lease premium and commencement rent;
- Ability to meet Council's objectives;
- Relevant business experience and the skills necessary to undertake the management, maintenance and redevelopment of the Premises;
- Business and marketing plans for the proposed use of the Premises;
- Financial capacity and funding capacity to meet the tenants obligations under the Lease and;
- The tenderer's ability to meet applicable occupational health and safety requirements.

The evaluation also included a comparison of the forward financial projections of the park should it remain Council operated, and referenced an independent valuation undertaken of the park in September 2017.





The recommendation to proceed with Sustainable Park Solutions Pty Ltd was adopted by Council at the April 2018 Ordinary Council meeting.

A wholly owned subsidiary company of Sustainable Park Solutions will be the party to the lease of the Park, this company is Myrtleford Creekside Caravan Park Pty Ltd ACN 625 649 032.

As required under s190 of the *Local Government Act* Council advertised a public notice inviting submissions to the lease under s223 of the Act. The public notice was advertised 11 April 2018 with the closing date for submissions being 10 May 2018. No submissions were received.

Having met its obligations under the Act a lease has now been finalised and signed by Myrtleford Creekside Caravan Park Pty Ltd. Department of Environment, Land, Water and Planning (DELWP) has provided Grant and Purpose of the lease and upon signing by Council will be forwarded to the Department for Ministerial Attestation.

### **ISSUES**

Council looked at the short term or upfront offers as well as long term reinvestment into the Park which would ensure the sustainability of the Park and the appeal of the Park to future users.

A capital works improvement program is an important consideration for ongoing sustainability. This requirement directly affects other components of the tender offer.

Other considerations taken into consideration and form part of the lease are:

- Annual CPI;
- 3 year market review (commencing in year 6 of the lease); and
- Required upgrades and renewals of key assets such as amenity blocks, lighting, powerhead upgrade, drainage and internal roads.

A detailed analysis was undertaken of the submissions received and the option for Council to continue to operate the Park. After consideration of these options it is recommended Council proceed with the long term lease of the park on the terms submitted by Sustainable Park Solutions Pty Ltd.

Under Section 5(2)(d) of the Act, Council is able to acquire, hold deal with or dispose of the property (including land) for the purposes of performing its functions and exercising its powers.

Section 190 of the Act notes restrictions on Councils power to lease land:

- 1) *A Council's power to lease any land to any person is limited to leases for a term of 50 years or less.*
- 2) *Subject to any other Act, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.*
- 3) *If the lease is to be –*
  - a) *for 1 year or more and –*



- i) *the rent for any period of the lease is \$50,000 or more a year; or*
  - ii) *the current market rental value of the land is \$50,000 or more a year; or*
  - b) *for ten years or more; or*
  - c) *a building or improving lease –*  
*the Council must at least 4 weeks before the lease is made, publish a public notice of the proposed lease.*
- 4) *A person has the right to make a submission under section 223 of the act on the proposed lease.*

Lease documentation was developed for the purpose of entering into long term lease of the Park. The length of the lease is 21 years and the starting rental is \$50,000. Due to these two factors Council is required under *Section 190* of the Act to publish a public notice of a proposed lease. A lease has been finalised and agreed with Sustainable Park Holdings Pty Ltd. The lessee will be Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary company of Sustainable Park Solutions Pty Ltd). This lease was prepared and reviewed by Council's solicitors. The lease has also been reviewed by DELWP and Grant and Purpose approval has been received. The commencement date under the lease is 10 September 2018. Upon signing by Council the lease will be forwarded to DELWP for Ministerial Attestation.

### **POLICY IMPLICATIONS**

The tender was advertised and evaluated according to the Council's Procurement Policy.

The process undertaken is in accordance with obligations under the *Local Government Act 1989*, the *Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land*.

This recommendation is consistent with the following strategic objective of the Council Plan 2017-2021:

- Highly utilised and well managed community facilities.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

The offer from Sustainable Park Holdings Pty Ltd provides for a significant capital investment in the park including \$405,000 of required works that Council had identified would be required over the next 5-10 years.

Against Council's forward net income projections for the Park, including provisions for renewals, upgrade and planned new work the lease offer is forecast to generate additional \$30,000 income for Council.

Though this is not a significant increase over Council's forecast under Council operation, the proposed lessee is contributing an additional \$900,000 in capital works in the first three (3) years of the lease that offer substantial improvements to the



amenity of the park including an additional 14 powered sites, office/resident upgrade, two additional ensuite sites (including services), one additional two bedroom cabin, two safari tent style units and numerous minor amenities.

Council will also receive a payment of \$290,000 excluding GST for existing plant and equipment.

### **CONSULTATION**

Pursuant to Section 190 of the *Local Government Act 1989* public notice was given where interested persons were invited to make submissions under Section 223 of the Act on the proposed lease (Section 190(3a) (3b)& (4)). No submissions were received.

### **CONCLUSION**

Entering into the Long Term lease with Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary of Sustainable Park Solutions Pty Ltd) for the Management and Operation of the Myrtleford Holiday Park is considered the best value option for Council.

### **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate
- Manager Facilities

### **ATTACHMENT(S)**

- Nil



### 8.3.2 Lease of Cobungra Court Harrietteville

File Number: Lease Register

#### **INTRODUCTION**

The purpose of the report is to recommend that Council enter into a short term lease of Cobungra Court Reserve Harrietteville identified as Reserve Lot 1 on LP132168.

*Cr Keeble*

*Cr Roper*

*That Council:*

- 1. Enter into a lease of Cobungra Court Reserve Harrietteville (Reserve Lot 1 LP132168) with John O'Sullivan under the following terms:*
  - a. Commencement rent \$220.00 p.a. excluding GST (adjusted annually to CPI);*
  - b. Term 3 years (at Council's sole discretion, a second term of 3 years may be granted); and*
- 2. Sign and seal the Lease at the appropriate stage of the meeting.*

*Carried*

#### **BACKGROUND**

At the time of the original development of Cobungra Court Harrietteville a parcel of land was reserved for possible future access to land beyond the court (location map attached), the Reserve occupies Council land. The land is identified as Reserve Lot 1 LP132168. The Reserve has residential properties on two sides and backs onto a significant parcel of private land that is heavily wooded.

In 2009 Council was approached by a resident adjoining the Reserve regarding the possibility of entering into a lease or licence over the land. An initial lease for a period of 3 years was issued. By leasing the land the lease holder assumed responsibility for maintaining the land while use of the land was restricted to those conditions specified under the lease. No building or other structures (aside from perimeter fencing) is allowed under the lease.

Subsequent leases have been issued in 2012 and 2015, with public Expressions of Interest (EOI) called for prior to the issuing of each lease. On each occasion the lease was issued to a resident adjoining the Reserve.

In January 2018 Council called for an EOI for the forward lease of the Reserve, this included advertising in local papers on 17 January 2018. Council received requests for information from three parties; one submission for the lease was received and two objections were received. The submission for the lease was received from the proposed lessee who had purchased the property from the previous lessees of the Reserve.



The two objections were considered and the parties who submitted the objections were contacted. One of the objections related to concerns over the exclusive use nature of a lease and the possible limits this may cause to access to the Reserve in the case of an emergency and for access to services that passed through the Reserve to an adjoining property. After a site meeting and discussions regarding these concerns the conditions of the lease were amended to include requirements for access to be granted for emergency management, access for maintenance or works on services in the reserve and responsibility of the lessee to ensure no damage occurred to these services from activities by the lessee on the leased reserve land.

The second objection questioned the premise upon which Council was issuing a lease over the Reserve and sought clarification of the process Council undertook as part of the communication of the EOI. We have responded explaining the history of the Reserve, previous lease processes and the process of calling for the EOI on this occasion. Council also explained the purpose and nature of the lease, including that the short term nature of the lease allows for Council to have flexibility in the use of this land into the future while minimising the costs to the community for maintaining the land. Both objectors have received written responses to their concerns and a copy of the amended lease provided for comment, no further feedback has been received.

The sole submission for lease is from an adjoining resident landowner. The offered rent is slightly higher than the rent under the previous lease. The amended terms of the lease have been agreed to by the proposed lessor. The lease has been signed and has been submitted for execution. By issuing a new lease the occupation and use status of the land will remain consistent with that of the past nine years while reducing Council's costs associated with the Reserve.

## **ISSUES**

Under Section 5(2)(d) of the *Local Government Act 1989* (the Act), Council is able to acquire, hold deal with or dispose of the property (including land) for the purposes of performing its functions and exercising its powers.

Section 190 of the Act notes restrictions on Councils power to lease land.

- 1) *A Council's power to lease any land to any person is limited to leases for a term of 50 years or less.*
- 2) *Subject to any other Act, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.*
- 3) *If the lease is to be –*
  - a. *for 1 year or more and –*
    - i. *the rent for any period of the lease is \$50,000 or more a year; or*
    - ii. *the current market rental value of the land is \$50,000 or more a year; or*





**8.3.3 Planning Application 5.2017.112.1 - 5 Switchback Road Mudgegonga – amended application received. Consequently report recommendation withdrawn.**



#### 8.3.4 Planning Application 5.2017.149.1 - 1 Bakers Gully Road, Bright

Application number:	5.2017.149.1
Proposal:	6 Lot Subdivision and removal of native vegetation
Applicant's name:	Mountain Planning
Owner's name:	Martin, Hewitt, Jackson, NECC and Perugini
Address:	1 Bakers Gully Road, Bright
Land size:	2.879ha
Current use and development:	Vacant residential land
Site features:	Sloping easterly aspect lot, western half covered in remnant vegetation and the other half cleared to grassland
Why is a permit required?	The Low Density Residential Zone (32.03-3) and the Bushfire Management Overlay (44.06-2) require approval for subdivision and the Clause 52.17 - Native Vegetation requires approval for the removal of native vegetation.
Zoning:	Low Density Residential Zone (LDRZ)
Overlays:	Bushfire Management Overlay (BMO)
Restrictive covenants on the title?	Yes, building envelope on the plan of subdivision and a Section 173 Agreement for BMO exemption purposes.
Date received:	17 May 2018
Statutory days:	75 Days
Planner:	Sam Porter

*Cr Keeble*

*Cr Roper*

*That a Notice of Refusal be issued for the 6 Lot Subdivision and Removal of Native Vegetation on the following grounds:*

- 1. The application has not satisfactorily addressed either Planning Policy Framework (Formally known as State Planning Policy Framework) or the Bushfire Management Overlay objectives, specifically the application fails to:*
  - Prioritise the protection of human life over other policy considerations in planning and decision-making in areas at risk from bushfire.*
  - Direct population growth and development to low risk locations and ensuring the availability of, and safe access to areas where human life can be better protected from the effects of bushfire.*





- *Ensure development of land prioritises the protection of human life and to ensure development is only permitted where the risk to life and property from bushfire can be reduced to an acceptable level.*
2. *The proposal is not consistent with the purpose of the Clause 52.17 - Native Vegetation (Guidelines for the removal, destruction or lopping of native vegetation – Department of Environment, Land, Water and Planning 2017) requiring the avoidance, minimisation and appropriate offset to compensate for the biodiversity impact of the native vegetation removal.*

**Carried**

Cr Pearce called for a division.

For: Cr Knappstein, Cr Janas, Cr Keeble and Cr Roper

Against: Cr Pearce and Cr Forsyth

The motion was carried.

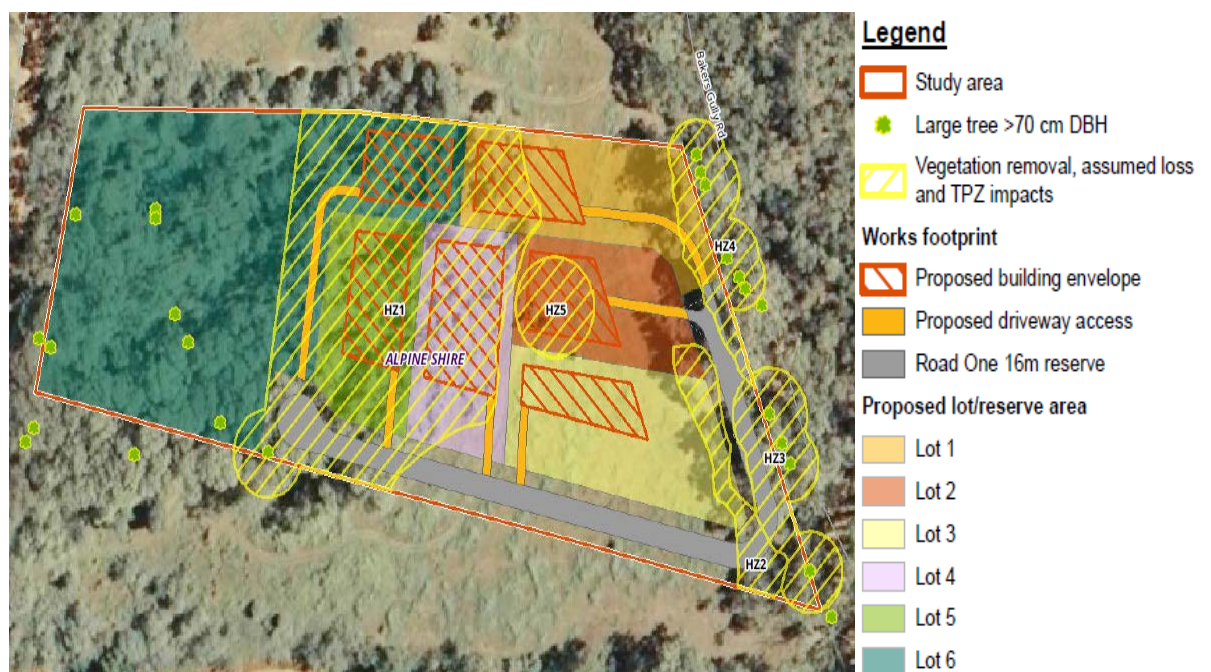
**PROPOSAL**

The proposal seeks to subdivide the 2.879ha property into six lots. Lots 1 to 5 range from 2,000m<sup>2</sup> to 3,200m<sup>2</sup> in order to comply with the minimum lots size of the LDRZ which is 2,000m<sup>2</sup>. Lot 6 is proposed to be 1.036ha in size and is located over the steeper area of the site and will also include the majority of the existing vegetated area. Figure 1 below shows the roadway location partially along the eastern and southern boundary proposed to service all lots. Figure 1 also outlines the location of the building envelopes proposed on each lot and the surrounding defensible space required.

In addition to subdivision of the land the application is also applying to remove 1.382ha of native vegetation, see figure 2 below and the yellow hatched areas. Planning must consider all native vegetation impacts at a subdivisional stage. In this instance vegetation removal is needed to construct the development, however, as five of the proposed lots are to be under 4,000m<sup>2</sup> in size when created they would then qualify for a removal exemption. The assessment provided for native vegetation assessment correctly outlines the assumed loss area of vegetation due to the proposed lot sizes, however, in reality some of this vegetation within the defensible space is likely to remain.



**Figure 1:** Shows the development layout on site and defensible space area.



**Figure 2:** Shows the development layout and the native vegetation removal impacts.





## SUBJECT LAND AND SURROUNDS

The subject land is 2.879ha in size and sits within the Bakers Gully Catchment on the southern edge of Bright. The subject land is the residual lot of a recently constructed subdivision that saw the creation of Faulkner Rise immediately to the north. The sites western half is covered with a remnant stand of native vegetation and the site itself has an easterly aspect. The surrounding land consists of residential land to the north, crown land to the east located along Bakers Gully Creek and is covered in native forest whilst south and west of the site is Hancock Victoria Plantations (HVP) managed land covered in softwood plantation.

The surrounding land area sees the subject land located centrally within the narrow Bakers Gully valley that runs in a north south direction. The subject land is approximately 400m above sea level whilst the hillside to the east rises sharply to a height of 580m and to the west 700m above sea level. The only legal and practical access to the subject land is via the sealed Bakers Gully Road from the north. The subject land and the immediate surroundings are shown below in Figure 2.



**Figure 3: Subject land.**



## PUBLIC NOTIFICATION

The application was advertised in accordance with Section 52 of the *Planning and Environment Act 1987*. Notice of the application was sent to 8 surrounding landholders and occupiers. A sign was displayed on the subject land. Three (3) objections were received; the reasons for objecting are as follows:

- Lot density;
- Increased traffic and associated traffic safety; and
- Inadequate services to the residential area, footpath, street lighting and the like.
- Land use conflict with surrounding plantation activities
- Inappropriate urban expansion
- Fire risk and traffic access and egress concerns

It should be noted that the application originally took the form of a ten lot subdivision. This initial notification saw the receipt of the three objections; however, the application was amended to a six lot proposal which when notified for a second time saw the withdrawal of one existing submission and the addition of the third objections from Hancock Victoria Plantation (HVP).

## REFERRALS

Referrals / Notice	Advice / Response / Conditions
Section 55 referrals:	Goulburn-Murray Water, North East Water, Ausnet Services have all granted conditional consent. Country Fire Authority (CFA) as a recommending referral authority has objected to proposal. Department of Environment Land Water and Planning is outside their prescribed timeframe and have not responded.
Internal / external referrals:	Development Engineer has no objection subject to conditions.

## PLANNING ASSESSMENT AND RESPONSE TO GROUNDS OF OBJECTION

All applicable policy and decision guidelines can be found in Appendix A.

### Planning Policy Framework and Local Planning Policy Framework

#### Bushfire Risk

In considering and application to subdivide land within the BMO Council and the Country Fire Authority must:



## **Protection of human life**

*Give priority to the protection of human life by:*

- *Prioritising the protection of human life over all other policy considerations.*
- *Directing population growth and development to low risk locations and ensuring the availability of, and safe access to, areas where human life can be better protected from the effects of bushfire.*
- *Reducing the vulnerability of communities to bushfire through the consideration of bushfire risk in decision making at all stages of the planning process.*

## **Bushfire hazard identification and assessment**

- *Identify bushfire hazard and undertake appropriate risk assessment by:*
- *Applying the best available science to identify vegetation, topographic and climatic conditions that create a bushfire hazard.*
- *Considering and assessing the bushfire hazard on the basis of:*
  - *Landscape conditions - meaning conditions in the landscape within 20 kilometres (and potentially up to 75 kilometres) of a site;*
  - *Local conditions - meaning conditions in the area within approximately 1 kilometre of a site;*
  - *Neighbourhood conditions - meaning conditions in the area within 400 metres of a site; and*
  - *The site for the development.*

Council legislatively has a requirement to refer the permit application to the CFA who are the experts in considering the bushfire provisions of the planning system. The CFA is also best placed to assess the broader landscape risk to the subject land in understanding the likely fire behaviour in the event of a bushfire. The CFA was initially invited by the applicant to provide comment on the proposal of further subdividing the subject land. The conclusion of this pre-application site meeting was that the CFA were not willing to support additional development within this Bakers Gully area.

The CFA's letter of response to the formal application outlines the following significant concerns with the proposal:

- Given the amount and extent of the surrounding vegetation, bushfires in the broader landscape are likely to be of a large scale, difficult to extinguish and spread rapidly and likely to impact the site with significant intensity.
- The site is likely to be subjected to mass ignition from embers (leading to firestorm conditions) that will create an area of fire that potentially exposes the development to high levels of radiant heat and direct flame contact.



- The application for an additional six (6) lots will add a significant number of additional people into a landscape that gives rise to a very high bushfire risk. Access to an area of relative safety (Bright Township) is also poor.

There is no disagreement with any of the above statements, therefore, it must be concluded that the development is clearly inconsistent with the relevant Planning Policy Framework.

The Local Planning Policy Framework (LPPF) contains additional context to the proposal. Clause 21.04-4 - Environmental risk aligns itself with the bushfire planning risk that is State Policy. Clause 21.07-1 also contains township of Bright objectives and strategies, the following are relevant to the proposal:

- *Bushfire risks in both urban and rural areas are largely due to dense vegetation cover, difficulty of access for emergency vehicles, and exposure of development at the rural/urban interface.*
- *Conflict between vegetation retention and clearing to reduce the risk from bushfire.*
- *Ensure that decisions on strategic and settlement planning prioritise the protection of human life over other policy considerations and apply the precautionary principle when assessing the risk to life, property and community infrastructure from bushfire.*
- *Strengthen community resilience to bushfire by ensuring that bushfire protection measures are considered and given effect to in decision making.*
- *Implement bushfire risk assessment and mitigation measures to:*
  - *Reduce the overall bushfire risk to communities;*
  - *Minimise risk to life and property from bushfire through the appropriate location, design and management of uses and developments;*
  - *Ensure that bushfire protection measures are implemented for land uses and developments to ensure an acceptable bushfire risk level to life and property;*
  - *Integrate bushfire risk management and protection of human life in the consideration of land use and development.*
- *Work with relevant authorities to ensure future development mitigates bushfire risk.*

The above policy gives clear direction to ensure appropriate risk based assessments are taken into account when considering new residential development. Given the CFA's position and advice put forward on the broader landscape risk to the subject land it is concluded that the development is inconsistent with Council's locally specific direction for development within the shire and the township of Bright.



### **Performance Standards for Bushfire Planning**

The BMO requires the performance standards of Clause 53.02 to be addressed as a part of a subdivision. The standards known as Approved Measures look at the developments ability to address emergency vehicle access, water supply, defendable space and the management of vegetation with this area and the Bushfire Attack Level Rating (BAL). The BAL level assign to a construction determines the level of construction standards that must be adhered to with the issuing of building permit in future to ensure the build is acceptably resistant to bushfire events.

The applicable Approved Measures for this development have all been satisfactorily addressed; some of this is visually evident with the shown building envelopes and hatched defendable space in Figure 1. However, compliance with just the Approved Measures in isolation isn't sufficient reasoning to approve the application. As previously outlined State and Local Policy direction which requires broader landscape risk to be considered must be taken into account. The purpose of Clause 52.03 further reinforces these objectives, (see relevant links within attachment A).

### **Zoning**

The subject land is zone LDRZ. The development is considered to be consistent with the decision guidelines of the zone. The lots are able to be:

- Adequately services by emergency vehicles via a sealed roadway within a gazetted road reserve,
- Adequately drained to an approved point of discharge;
- Meet the minimum lot size of 2,000m<sup>2</sup> as al lots will be serviced with reticulated sewerage; and
- Reticulated water, power and telecommunications are all readily available.





## **CONCLUSION**

The application is considered to be inconsistent with the Alpine Planning Scheme and should not be approved for the following reasons:

It is inconsistent with Bushfire planning policy that:

- Directs that priority be given to the protection of human life;
- Directs population growth to occur in low risk locations; and
- Requires risk to human life to be reduced to an acceptable level.

Both the Country Fire Authority and Council consider that:

- Given the amount and extent of the surrounding vegetation, bushfires in the broader landscape are likely to be of a large scale, difficult to extinguish and spread rapidly and likely to impact the site with significant intensity;
- The site is likely to be subjected to mass ignition from embers (leading to firestorm conditions) that will create an area of fire that potentially exposes the development to high levels of radiant heat and direct flame contact, and;
- The application creating an additional six lots will add a significant number of additional people into a landscape that gives rise to a very high bushfire risk, which is further compounded as access to an area of relative safety (Bright Township) is also poor; and
- The application has also been unable to satisfactorily demonstrate the ability to secure acceptable vegetation offsets that would be required for the proposed vegetation impacts as directed by Planning Policy and the Native Vegetation provisions of the Alpine Planning Scheme.

Having considered the relevant provisions of the Alpine Planning Scheme it is recommend that a Notice of Refusal be issued for the proposed six lot subdivision and removal of native vegetation.

## **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate
- Manager Planning
- Senior Planning Officer

## **APPENDIX**

- A – Planning Policy Framework and Local Planning Policy Provisions





## **APPENDIX A: Planning Policy Framework and Local Planning Policy Provisions**

Planning Policy Framework Clause 13.02-1S Bushfire Planning can be found at the following link: [http://planning-schemes.delwp.vic.gov.au/schemes/vpps/13\\_02G.pdf](http://planning-schemes.delwp.vic.gov.au/schemes/vpps/13_02G.pdf)

Local Planning Policy Framework Clause 21.04-4 Environmental risk gives local context to Clause 13.02-1S and can be found at the following link: [http://planning-schemes.delwp.vic.gov.au/schemes/alpine/ordinance/21\\_mss04\\_alpi.pdf](http://planning-schemes.delwp.vic.gov.au/schemes/alpine/ordinance/21_mss04_alpi.pdf)

Low Density Residential Zone planning provisions can be found at the following link: [http://planning-schemes.delwp.vic.gov.au/schemes/vpps/32\\_03-Low-Density-Residential-Zone.pdf](http://planning-schemes.delwp.vic.gov.au/schemes/vpps/32_03-Low-Density-Residential-Zone.pdf)

Bushfire Management Overlay provision can be found in the following two locations: [http://planning-schemes.delwp.vic.gov.au/schemes/vpps/44\\_06-Bushfire-Management-Overlay.pdf](http://planning-schemes.delwp.vic.gov.au/schemes/vpps/44_06-Bushfire-Management-Overlay.pdf) and [http://planning-schemes.delwp.vic.gov.au/schemes/vpps/53\\_02-Bushfire-Planning.pdf](http://planning-schemes.delwp.vic.gov.au/schemes/vpps/53_02-Bushfire-Planning.pdf)

Particular Provision Clause 52.17 Native Vegetation can be found at the following link: [http://planning-schemes.delwp.vic.gov.au/schemes/vpps/52\\_17-Native-Vegetation.pdf](http://planning-schemes.delwp.vic.gov.au/schemes/vpps/52_17-Native-Vegetation.pdf)



### **8.3.5 Audit Committee Meeting No. 2018/19-1, 27 July 2018**

File Number: 0900.06

#### **INTRODUCTION**

The purpose of this report is to present the minutes and recommendations of the Audit Committee meeting held on 27 July 2018.

The focus of the meeting was to review a) the Audit Committee action items due for completion by 30 June 2018; and b) the recommendations of VAGO Interim Management Letter, Year Ending 30 June 2018.

*Cr Roper*

*Cr Pearce*

*That Council receive and note the minutes of the 27 July 2018 Audit Committee Meeting No. 2018/19-1.*

*Carried*

#### **BACKGROUND**

Council must establish an Audit Committee under Section 139 of the *Local Government Act 1989*. The Committee's charter requires it to report to Council its activities, issues and related recommendations. This report relates to the Audit Committee meeting held on 27 July 2018.

#### **ISSUES**

##### **Fraud control review**

Council has been progressing a fraud control review project. The first stage of the project, a fraud risk assessment, is complete. The second stage, a review of Council's fraud and corruption control policy, has commenced and is due for completion by August 2018. The Committee was updated on the timeframe for future stages including a fraud control audit and employee fraud awareness training.

##### **Internal audit plan**

Section 5.5 of the Alpine Shire Council Audit Committee Charter 2017 requires the Committee to review and recommend the annual audit plan for approval.

The Committee was provided with an overview of the draft Internal Audit Plan 2018/19 - 2020/21. The plan outlines the areas of focus of internal audits, including high level scopes for 2018/19 and indicative internal audit topics for 2019/20 and 2020/21.

##### **Long service leave model**

The VAGO Final Management Letter Year Ending 30/06/2017 recommended that Council consider investigating the Department of Treasury and Finance (DTF) 2008 long service leave (LSL) model. Council has proposed a methodology to the external auditor involving a combination of the DTF 2008 LSL model and a Council specific approach intended to improve accuracy. The Committee was advised that Council will



await the 2018 findings of the external auditor and implement their final recommendation.

### **Investment properties**

The VAGO Final Management Letter Year Ending 30/06/2017 recommended that Council undertake formal reassessment of the classification of lease properties to ensure correct classification under AASB 140. The Committee was advised that Council's rental properties have been assessed and determinations made as to which properties are classified as investment properties and the data submitted to the external auditor with the view to this item being closed.

### **Other infrastructure valuation**

The VAGO Final Management Letter Year Ending 30/06/2017 recommended that Council review waste management, recreational, leisure and community facilities, and parks, open spaces and streetscapes assets as part of the revaluation processes for FY18. The Committee was advised that review of these asset classes is closely aligned with the development of a new asset management system and a valuation report reflecting 'forward progress' has been submitted to the external auditors.

### **Supplier audit trail report**

The VAGO Final Management Letter Year Ending 30/06/2017 recommended that Council, as part of migration to XERO, ensure audit trail reports for changes to supplier masterfile are generated. The Committee was advised that the proposed process for auditing supplier masterfile changes has been documented for consideration by the external auditors.

### **Asset register review**

The VAGO Final Management Letter Year Ending 30/06/2016 recommended that Council undertake a detailed review of asset registers for completeness and address potential changes to the useful life of asset classes where fully depreciated but still in use. The Committee was provided with an overview of the current status of this item and advised that Council had submitted an asset register review to the external auditors with the view to this item being closed.

### **Policy and procedure review**

The VAGO Final Management Letter Year Ending 30/06/2015 and Interim Management Letter Recommendations Year Ending 30/06/2018 recommended that Council undertake to review and update all policies and procedures by specified dates. The Committee was advised that in order to progress this matter, Council had engaged an external contractor who has:

- undertaken extensive consultation with managers and selected key staff;
- drafted a policy framework;
- documented a log of existing policies and procedures including potential gaps and target review dates.

The Committee was also advised of the review status of key policies which were identified by the auditor for review by 30 June 2018, including the employee code of



conduct, fraud and corruption control, digital information security, revenue and debtor management, and protected disclosures.

### **POLICY IMPLICATIONS**

Council complies with the following sections of the *Local Government Act 1989*:

- Section 139: requires Council to have an audit committee and act within the guidelines made by the Minister for Audit Committees.
- Section 136: requires Council to implement the principles of sound financial management.

This report is consistent with the following strategic objective in the Council Plan 2017-2021:

- A responsible and sustainable organisation.

### **CONCLUSION**

The Audit Committee, being satisfied with the detail provided in the agenda, submits the minutes of its Meeting No. 2018/19-1 held on 27 July 2018 to Council.

### **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate
- Manager Corporate
- Health, Safety and Risk Officer

### **ATTACHMENT(S)**

- 8.3.5 Audit Committee Meeting No. 2018/19-1 Minutes, 27 July 2018



### **8.3.6 Financial Statements and Performance Statement - Approval in Principle**

File Number: 900.01

#### **INTRODUCTION**

The purpose of this report is to present the draft Financial Statements and Performance Statement for the year ended 30 June 2018 for review and approval in principle.

*Cr Pearce*

*Cr Roper*

*That Council:*

- 1. Approve in principle the Financial Statements and the Performance Statement for the year ended 30 June 2018; and*
- 2. Authorise Cr Knappstein and Cr Nicholas to certify the Financial Statements and Performance Statement for the year ended 30 June 2018 on behalf of Council, once any amendments or changes are made as requested by the Victorian Auditor General.*

*Carried*

#### **BACKGROUND**

Section 131 of the *Local Government Act 1989* requires Council to prepare an Annual Report in respect of each financial year containing a report on the operations of the Council, and audited performance statement, and audited financial statements.

Section 132 of the *Local Government Act* requires Council to pass a resolution giving its approval in principle to the performance statement and the financial statements prior to submitting the statements to the auditor so that they may prepare their reports.

This report provides an overview of the results in Council's draft Financial Statements and draft Performance Statement which are provided in full in the attachments.

Once approval in principle has been provided, and Council has incorporated any changes recommended or agreed by the auditor, the Financial Statements and Performance Statement must be certified by two Councillors authorised by the Council, prior to the auditors signing their reports.

#### **FINANCIAL STATEMENTS**

The Financial Statements show Council's financial performance, financial position and cash flows against the previous year.



In summary, Council ended the 2017/18 year with a surplus of \$6.6m, which was \$3.9m in excess of the \$2.7m surplus projected in the 2017/18 Annual Budget (the Budget).

## **1. Income**

The favourable surplus is largely attributed to Council receiving more income than expected in 2017/18. Altogether Council received \$31.5m in income which was \$4.7m favourable to the Budget projection of \$26.8m. This income can be broken down into the following categories:

### *1.1 Additional rates and charges*

Council received total rates and charges of \$17.8m which was \$0.3m favourable to Budget due to unbudgeted supplementary development in the Alpine Shire.

### *1.2 Additional grant income*

Council received total grant income (both operating and capital) of \$9.0m which was \$2.8m favourable to Budget. Major contributors to the favourable result included:

- Early receipt of half of the 2018/19 Victorian Grants Commission grant, being an unbudgeted payment of \$1.9m;
- A Roads to Recovery grant that was \$0.6m higher than expected;
- Unbudgeted grants, including:
  - \$0.8m for roads resealing in the Upper Ovens;
  - \$0.5m for the upgrade of the Myrtleford Library;
  - \$0.2m for the Mount Buffalo Business Case Assessment and Activation;
  - \$0.1m for the Eurobin Flood Bypass.

These gains were partially offset by grants which had been budgeted for 2017/18 but which were received in late 2016/17, which included:

- \$0.2m for the Alpine Better Places Mafeking Square project;
- \$0.2m for the Mount Beauty Pool Upgrade.

In addition, \$0.4m of grants expected for the Alpine Events Park project were delayed from 2017/18 to 2018/19.

### *1.3 User fees*

Council received \$1.6m in user fees which was \$0.6m favourable to Budget, primarily due to higher than expected user fees for Myrtleford Holiday Park as Council planned to lease the park earlier in the year, and this plan was delayed.

### *1.4 Statutory fees and fines*

Council received \$0.7m in statutory fees and fines which was \$0.2m favourable to Budget, due to higher than anticipated property development activity resulting in an increase in statutory planning fees.



### *1.5 Contributions non-monetary*

Council received \$0.6m in non-monetary contributions which was \$0.4m favourable to Budget due to higher than expected development activity in the Alpine Shire.

### *1.6 Other Income*

Other Income was \$1.2m which was \$0.4m favourable to Budget due to increases in valuations of investment properties, including the Myrtleford Holiday Park and the Bright Holiday Park.

## **2. Expenses**

Overall expenses were \$24.9m which was \$0.7m higher than Budget. This was primarily due to asset write-downs of \$1.2m offset by savings in employee costs and materials and services. In further detail:

### *2.1 Assets written-off / impaired*

\$1.2m in assets were written-off / impaired compared to a Budget projecting nil write-offs / impairments. \$0.9m was written off in relation to parks, open spaces and streetscapes following a detailed review of valuations and accompanying valuation methodology. \$0.4m was written down in relation to buildings, due to revaluation of properties held for sale, including Lyndhurst and assets expected to be sold as part of the lease of the Myrtleford Holiday Park.

### *2.2 Employee Costs*

Employee costs were lower than budgeted by \$0.6m due to the ongoing impact of vacant positions, the majority of which are now filled.

### *2.3 Materials and services*

Materials and services were \$0.2m less than budgeted. Significant areas which were favourable to budget included:

- Lower than expected asset maintenance costs (\$0.2m lower than the budget of \$2.7m);
- Carry forwards of selected planning projects due to vacancies (\$0.2m);
- Negotiated savings in the technology budget (\$0.1m).

These were partially offset by:

- Spend on contractors to support workforce vacancies (\$0.2m);
- Higher than expected operating costs for the Myrtleford Holiday Park due to a delay in plans to lease the park (\$0.2m).

### *2.4 Depreciation*

Depreciation was \$4.6m which was \$0.3m higher than expected primarily due to a revaluation adjustment error in the Budget.



## *2.5 Landfill rehabilitation expense*

An adjustment was made to future landfill rehabilitation assumptions regarding the future impacts of inflation, resulting in an outcome \$0.2m favourable to Budget.

## *2.6 Net loss on disposal of property, infrastructure, plant and equipment*

Council made an overall loss of \$0.4m which was \$0.3m higher than Budget, primarily due to a review of recreation and open spaces assets leading to selected assets being reclassified as non-capital expenses. In particular some work-in-progress assets relating to the Hero Trail and the Myrtleford roundabout were written-down due to an assessment that a portion of the work did not pertain to Council assets.

## **PERFORMANCE STATEMENT**

The Performance Statement provides an overview of Council progress against key performance indicators. The Local Government Performance Reporting Framework (LGPRF) provides the basis for these indicators to enable a uniform Performance Statement across all Victorian councils.

The majority of indicators were consistent with last year with only minor movements.

Satisfaction with Council Decisions and Satisfaction with Sealed Local Roads both increased from 57 to 60, reflecting an overall positive result for Council across Community Satisfaction Survey results.

There was a reduction in follow-ups on critical and major non-compliance notifications in relation to Food Safety, from 45% to 33%. This was due to a vacancy within Council's Environmental Health unit which is now filled.

Generally the financial indicators show that Council is financially sustainable and that services are being delivered within expected parameters.

Council's Working Capital Ratio increased from 2.85 to 4.23 due to receiving income in excess of Budget by \$4.7m. This Working Capital Ratio is expected to reduce over the course of FY18/19, particularly in the light of this year's substantial major capital works program totalling \$11.3m.

Workforce turnover reduced from 31% in 2017 to 7% in 2018. The 2017 result was abnormally high due to Council's Home and Community Care service being recommissioned to another provider with the majority of staff transitioned on 1 July 2016.

## **ISSUES**

The Financial Statements and Performance Statement are still being audited at the time of writing this report. Whilst the Victorian Auditor General can still make changes, any changes would be expected to be minor in nature.

## **POLICY IMPLICATIONS**

Council has prepared draft Financial Statements and a draft Performance Statement for Council approval in principle, in line with the requirements Section 131 and





Section 132 of the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

The authorised Councillors are required to certify the final Financial Statements and Performance Statement after any amendments or changes requested by the Victorian Auditor General have been made, and prior to adoption by Council.

The Annual Report must be submitted to the Minister by 30 September each year as required by Section 133 of the *Local Government Act 1989*. Public notice must then be given that the Report has been prepared and can be inspected at the Council office and on the Council's website. The Report must then be considered at a meeting of the Council as soon as practicable after the Council has sent the Annual Report to the Minister as required by Section 134 of the *Local Government Act 1989*.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

The draft Financial Statements and Performance Statement for the year ended 30 June 2018 show that Council is financially sustainable and that Council services are being delivered within expected parameters.

### **CONSULTATION**

The Audit Committee Charter states that the Committee is required to review the Annual Financial Report, and consider whether it is complete, consistent with information known to audit committee members, and reflects appropriate accounting principles. At the time of submitting this paper the key contents of the Annual Financial Report, comprising the Financial Statements and Performance Statement, have been submitted to the Audit Committee for review.

### **CONCLUSION**

Council ended the 2017/18 year with a surplus of \$6.6 million, which is in excess of that predicted in the 2017/18 Annual Budget. The favourable surplus is largely attributed to Council receiving additional income in 2017/18 of \$4.7m.

### **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Director Corporate
- Manager Corporate
- Accountant
- Governance Officer

### **ATTACHMENT(S)**

- 8.3.6(a) 2017/18 Financial Statements (Draft)
- 8.3.6(b) 2017/18 Performance Statement (Draft)



## 9 ASSEMBLY OF COUNCILLORS

### INTRODUCTION

Section 80A of the *Local Government Act 1989* requires a written record of Assemblies of Councillors to be reported at an ordinary meeting of the Council and to be incorporated in the minutes of the Council meeting.

*Cr Keeble*

*Cr Knappstein*

*That the summary of the Assemblies of Councillor for July / August 2018 be received.*

*Carried*

### BACKGROUND

The written records of the assemblies held during the previous month are summarised below. Detailed assembly records can be found in Attachment 9.0 to this report.

Date	Meeting
24 July	Briefing Session
7 August	Briefing Session
21 August	Briefing Session

### ATTACHMENT(S)

- 9.0 Assemblies of Councillors – July / August 2018



## **10 GENERAL BUSINESS**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au) for its YouTube live-streaming recording for responses to questions.

## **11 MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN**

Nil

## **12 RECEPTION AND READING OF PETITIONS**

Nil



### 13 DOCUMENTS FOR SEALING

*Cr Forsyth*  
*Cr Knappstein*

*That the following documents be signed and sealed.*

- 1. Short term lease of Cobungra Court Reserve to John O'Sullivan.*
- 2. Long term lease (21 years) for the Management and Operation of the Myrtleford Holiday Park to Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary of Sustainable Park Solutions Pty Ltd).*

*Carried*

### 14 CONFIDENTIAL REPORT

The following item was deemed by the Chief Executive Officer to be suitable for consideration in closed session in accordance with section 89(2)(e) of the *Local Government Act 1989*.

In accordance with the Act, Council may resolve to consider these issues in open or closed session.

*Cr Pearce*  
*Cr Knappstein*

*That, in accordance with the provision of section 89(2)(e) of the Local Government Act 1989, the meeting be closed to members of the public for consideration of a confidential item.*

*Carried*

The meeting be closed to the public at 8.08pm to consider the confidential item.

*Cr Pearce*  
*Cr Forsyth*

*That the meeting be re-opened at 8.18pm.*

*Carried*

There being no further business the Chairperson declared the meeting closed at 8.18p.m

.....  
Chairperson