



# **L A T R O B E C I T Y C O U N C I L**

## **MINUTES OF ORDINARY COUNCIL MEETING**

**HELD IN THE  
NAMBUR WARIGA MEETING ROOM,  
CORPORATE HEADQUARTERS, MORWELL  
AT 7:00 PM ON 02 FEBRUARY 2009**

**PRESENT:**

*Cr Lisa Price, Mayor - Farley Ward  
Cr Kellie O'Callaghan, Deputy Mayor - Burnet Ward  
Cr Rohan Fitzgerald - Dunbar Ward  
Cr Sharon Gibson - Merton Ward  
Cr Sandy Kam - Galbraith Ward  
Cr Bruce Lougheed - Tanjil Ward  
Cr Graeme Middlemiss - Rintoull Ward  
Cr Ed Vermeulen - Gonyah Ward  
Cr Darrell White - Firmin Ward  
Paul Buckley, Chief Executive Officer  
Seona Conway, General Manager Organisational Excellence  
Michael Edgar, General Manager Community Liveability  
Caroline Flake, Manager Council Operations - Legal Counsel  
Tim Johnson, General Manager Governance  
Allison Jones, General Manager Economic Sustainability  
Philip Marsh, General Manager Executive Projects  
Peter Quigley, General Manager Built and Natural Environment Sustainability  
Grantley Switzer, General Manager Recreational and Cultural Liveability*

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**CLOSED**

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**1. Opening Prayer**

The Opening Prayer was read by the Mayor.

**Recognition of Traditional Landholders**

The Recognition of Traditional Landholders was read by the Mayor.

**2. Apologies for Absence**

NIL

**3. Declaration of Interests**

NIL

**4. Adoption of Minutes**

**Moved:** Cr Lougheed

**Seconded:** Cr Middlemiss

**That the Minutes of the Ordinary Council Meeting, relating to those items discussed in open Council, held on 15 December 2008 (CM 283) be adopted.**

**CARRIED UNANIMOUSLY**

# **PUBLIC QUESTION TIME**

**5.1 WATER HOLE CREEK PROJECT**

Mr Merv Geddes asked the following question:

**Question**

Total costings, tender specifications and audit of infrastructure and reparation of creek itself.

Require details of above and details of total expenditure of \$365,000.

**Answer**

The Chief Executive Officer read the question and responded that the question will be taken on notice with the answers provided in writing and also included in the Minutes of this meeting (see below).

Our Ref: DW378616  
BF:PQ

12 February 2009

Mr Merv Geddes  
2/6 Chestnut Avenue  
MORWELL VIC 3840

Dear Mr Geddes

**WATERHOLE CREEK – PUBLIC LIGHTING PROJECT**

I am writing in response to your question asked at the Council Meeting held on 2 February 2009 in relation to the above matter.

The first stage of the project from Hourigan Road to Airlee Bank Road has been designed and a contractor has been engaged to commence the installation work in the near future. The lighting design standard is in accordance with the Australian Standard Code of Practice for public lighting. Preliminary tree pruning along the route of the lighting proposal has been undertaken to minimise the impact of shading from the trees. Stage 1 of the project is estimated at \$50,000 and is being funded through Council's Capital Works Program for 2008-09. Work on this stage is programmed to start in six weeks time.

Council was successful with a funding application to the Department of Human Services (Neighbourhood Renewal Project) for an amount of \$65,000 to carry out a further stage of this lighting project.

In addition to the above funding, Council also considered a list of projects to be funded from the Federal Government's Regional and Local Community Infrastructure Program at the Council Meeting of 15 December 2009 and agreed to allocate an amount of \$250,000 to fund the completion of the public lighting project from Princes Drive to the MERA (Morwell East Residents Association) Park.

Further stages will be progressed following completion of the first stage and all works will be completed prior to 30 September 2009.

The West Gippsland Catchment Authority (WGCMA) has the overall management responsibility for the stream whilst Latrobe City Council look after minor maintenance and cleanliness of the stream within the urban area by agreement with the WGCMA.

The WGCMA have previously advised that it is generally good practice to leave reeds to act as a natural filter to improve the quality of the water in the stream. Your query about the condition of drainage structures entering the creek will need to be discussed with the WGCMA to determine if further works are required at this time. Council officers will need contact the WGCMA on this matter to ensure that any proposed works comply with their requirements.

In relation to the general tidiness, appearance and maintenance of Waterhole Creek, I advise that Council staff carry out regular patrols of the area and remove rubbish, tree branches, etc. There are a large number of dead or dying trees along the creek banks that have been identified for removal by the end of February.

If you require any further information please contact Brian Fitzgerald, Manager Capital Projects direct on 5128 5473.

Yours sincerely



CR LISA PRICE  
**Mayor**

**Suspension of Standing Orders**

**Moved:** Cr Lougheed  
**Seconded:** Cr Middlemiss

**That Standing Orders be suspended to allow members of the gallery to address Council.**

**CARRIED UNANIMOUSLY**

Standing Orders were suspended at 7.03 pm.

Ms Marilyn May, addressed Council in relation on the operations of the Make Moe Glow Committee, thanking Council and its staff for their ongoing commitment.

The Mayor thanked Ms May for addressing Council.

**Resumption of Standing Orders**

**Moved:** Cr Lougheed  
**Seconded:** Cr Middlemiss

**That Standing Orders be resumed.**

**CARRIED UNANIMOUSLY**

Standing Orders were resumed at 7.08 pm.



# **CORRESPONDENCE**

**9.1** **CORRESPONDENCE RECEIVED FROM THE STATE  
GOVERNMENT REGARDING WATER LEVELS IN LAKE  
NARRACAN**

**AUTHOR:** General Manager Recreational and Cultural Liveability

**1. INTRODUCTION**

Correspondence has been received from the State Government in response to requests from Latrobe City Council for water levels at Lake Narracan to be maintained at appropriate levels which allow for ongoing recreational use.

**2. OFFICER'S COMMENTS**

Changes to the operating arrangements in relation to water management within Lake Narracan, due to the prolonged drought and lower than average water levels in Blue Rock dam, have resulted in the water levels in Lake Narracan fluctuating and, for prolonged periods, being reduced to levels that do not allow normal boating and recreational activities to take place.

Lake Narracan is a vital piece of infrastructure for Latrobe City from an economic, social, environmental and recreational perspective.

The allocation of water to the power generation companies is undertaken utilising a complicated calculation method based on a hierarchy of inflows to Blue Rock dam, the maintenance of environmental flows in the Latrobe and Tanjil Rivers and storage in Lake Narracan.

The power generation companies have decided to draw first from the Latrobe River, secondly from Lake Narracan and finally from Blue Rock dam to maximise the available water resources from the system. The potential cost of purchasing additional water from the government's entitlement in Blue Rock beyond their entitlements is significant (possibly in the range of \$1,500 per megalitre).

As the generators utilise their stored volume in Blue Rock during the course of a season and the government typically does not, Blue Rock dam may be at 70% of capacity, the State Government's various shares may be at 100% of their storage allocation capacity, while the power generators may be below 50% of their storage capacity. Until such time as the generators' allocation in Blue Rock dam becomes full, the generation companies are unable to access their full entitlement.

It is therefore in the best interests from both an economic and risk perspective for the generation companies to minimise their call on the water from Blue Rock dam by maximising their use of Latrobe River flows and Lake Narracan storages. The power generation companies are, however, prepared to maintain water levels in Lake Narracan suitable for recreational purposes, if the State Government is prepared to underwrite any losses incurred due to their reduced harvesting capacity because of maintaining Lake Narracan at a level suitable for recreational purposes.

It should be noted that the volume required to be sent from Blue Rock to Lake Narracan could be in the order of 5,000 ML, which has a value in the order of \$7.5M based on the potential water cost indicated to generators. It should also be recognised that during the 5 week period that Lake Narracan was held full during February/March in 2007 that no inflow events occurred so there was no requirement to compensate generators with water. The requirement for water compensation will be entirely dependent on the duration of time and rainfall/inflow events during that period.

The State Government owned (unallocated) capacity in Blue Rock dam has rarely been utilised in previous years. In the drought year of 2006/07, part of the State owned component was sold to power generation companies who were unable to meet their water requirements from available water resources that year.

At the Ordinary Council Meeting held on 18 August 2008, Council resolved the following in respect to water levels at Lake Narracan:

1. *That Council enters into discussions with the three Latrobe Valley power generation companies (Loy Yang Power, International Power Mitsui and TRU Energy Yallourn) to discuss the possibility of maintaining a water level which allows for recreational use of Lake Narracan.*
2. *That Council writes a further letter to the Premier and the Minister for Water to reiterate the importance of maintaining the water levels in Lake Narracan from an economic, social, environmental and recreational perspective.*

3. *That Council seeks a meeting with the Hon Jacinta Allan, Minister for Regional and Rural Development, to impress on her the importance of Lake Narracan from a recreational, social, economical (tourism) and environmental perspective and request that she advocate on behalf of Latrobe City to ensure that appropriate water levels are maintained.*

Resolution one was pursued and a meeting of Chief Executive Officer's from Latrobe City, Loy Yang Power, International Power Mitsui and TRU Energy Yallourn has been held. Clinton Rodda, General Manager Water Supply from Southern Rural Water also attended this meeting.

As a result of this meeting, the power generation companies indicated that they are willing to maintain water levels in Lake Narracan that would allow traditional recreational activities such as water skiing to continue, if the State Government was prepared to underwrite any entitlement lost as a result of maintaining levels at Lake Narracan.

In respect to recommendations two and three, letters were forwarded to the Premier, Minister for Water and Minister for Regional and Rural Development. No response was received from the Premier of Victoria.

Responses to these letters are included in this report and clearly indicate that the State Government is not willing to alter its approach in respect to water entitlements in Lake Narracan. Latrobe City Council's next opportunity for consideration of this issue will be through the development of the Eastern Region Sustainable Water Strategy which is due to commence in 2009.



## Minister for Water

Ref: DSE057875  
File: CS/07/1313

121 Exhibition Street  
Melbourne, Victoria 3000  
GPO Box 4509  
Melbourne, Victoria 3001  
Telephone: (03) 8684 8000  
Facsimile: (03) 8684 8014

Cr Bruce Lougheed  
Mayor  
Latrobe City Council  
PO Box 264  
MORWELL VIC 3840

**- 3 DEC 2008**

Dear Cr Lougheed

### LAKE NARRACAN

Thank you for your letter dated 29 October 2008 regarding water levels at Lake Narracan. I note that you have also written to the Minister for Rural and Regional Development, Ms Jacinta Allan MP.

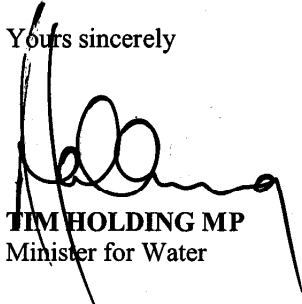
As I have previously indicated, the Victorian Government is currently reviewing the water supply needs of the Latrobe Valley power stations, taking into account the last 11 years of low river flows. Initial indications suggest that all the water resources in Moondarra Reservoir, Blue Rock Dam and Lake Narracan are required to secure the Valley's existing supply commitments.

Under these circumstances, Lake Narracan needs to operate as efficiently as possible to harvest water, which means that levels will fluctuate. In the meantime, I would encourage you to consider how to make the most of Lake Narracan's recreational values given that the water levels will inevitably fluctuate.

The Government will begin developing an Eastern Region Sustainable Water Strategy in 2009 to address water issues throughout Gippsland and I encourage you to participate in the process.

Thank you for raising this matter with me.

Yours sincerely

  
**TIM HOLDING MP**  
Minister for Water

#### Privacy Statement

Any personal information about you or a third party in your correspondence will be protected under the provisions of the *Information Privacy Act 2000*. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Manager Privacy, Department of Sustainability & Environment, PO Box 500, East Melbourne, 3002.

<b>Latrobe City</b>	
- 5 DEC 2008	
Doc. No:	
Action Officer:	
Disposal Code:	
Comments:	





**Office of the Minister for Regional and Rural Development  
Office of the Minister for Skills and Workforce Participation**

The Hon. Jacinta Allan, MP

19 NOV 2008

Level 36  
121 Exhibition Street  
Melbourne, Victoria 3000  
GPO Box 4509  
Melbourne, Victoria 3001  
Telephone: +61 3 9651 9920  
Facsimile: +61 3 9651 9962

Cr Bruce Lougheed  
Mayor  
Latrobe City  
PO Box 264  
Morewell  
Victoria 3840

Dear Cr Lougheed,

**REQUEST FOR ACTION TO RESTORE WATER LEVELS AT LAKE NARRACAN**

Thank you for your letter dated 5 November 2008 to the Hon Jacinta Allan MP, Minister for Regional and Rural Development regarding Latrobe City Council's *request for action to restore water levels at Lake Narracan*. The Minister has asked me to reply on her behalf.

The matters you have raised are of concern to the Minister, however I note that the specific responsibility for the matter raised in your correspondence rests with the Minister for Water, the Hon Tim Holding, MP.

Accordingly, I have referred your letter to Minister Holding for consideration and direct reply.

Thank you for bringing this matter to the Minister's attention.

Yours sincerely

**Jade Grieve**  
Chief of Staff

Latrobe City	
28 NOV 2008	
Doc. No:	
Action Officer:	
Disposal Date:	
Comments:	



**3. RECOMMENDATION**

That Council notes the correspondence received from the State Government in response to requests for water levels at Lake Narracan to be maintained at appropriate levels.

**Moved:** Cr Lougheed

**Seconded:** Cr Vermeulen

1. That Council notes the correspondence received from the State Government in response to requests for water levels at Lake Narracan to be maintained at appropriate levels.
2. That Council notes its disappointment with the correspondence received by the State Government in regards to maintaining water levels at Lake Narracan.
3. That the Mayor and Tanjil Ward Councillor make representation to the State Members of the Legislative Council for Eastern Victoria, Matt Viney MLC and Johan Scheffer MLC, to convey disappointment regarding the current issue with water levels at Lake Narracan and to request further consideration be given to Latrobe City Council's request for an allocation to be made available for Lake Narracan to ensure recreational use of the water way can continue.
4. That Council prepares a submission to the State Government's 2009 Eastern Region Sustainable Water Strategy, highlighting the social, environmental and economic importance of Lake Narracan to the Latrobe City and requesting further investigations into the ongoing sustainability of the Lake.

**CARRIED UNANIMOUSLY**

# **PRESENTATION OF PETITIONS**



**10.1** **PETITION - ESTABLISH LATROBE CITY AS A GENETICALLY MANIPULATED FREE ZONE**

**AUTHOR:** General Manager Economic Sustainability  
**(ATTACHMENT - YES)**

**1. PURPOSE**

The purpose of this report is to present Council with a petition received requesting that Council takes action to ensure that Genetically Manipulated (GM) crops are not grown within the municipality.

**2. POLICY IMPLICATIONS**

This report is consistent with Council's Latrobe 2021 vision document and the Council Plan 2008-2012.

*Latrobe 2021 and Council Plan 2008-2012*

*Strategic Objective – Sustainability*

To promote the responsible and sustainable care of our diverse built and natural environment for the use and enjoyment of the people who make up the vibrant community of the Latrobe Valley. To provide leadership and to facilitate a well connected, interactive economic environment in which to do business.

*Community Outcome – Economic Sustainability*

By providing leadership and facilitating a vibrant and dynamic environment in which to do business.

*Strategic Action*

Promote and support the development of existing and new industry, and infrastructure to enhance the social and economic well being of the Valley.

**3. BACKGROUND**

Latrobe City Council received a petition on 9 January 2009 with 102 signatures. The petition requests that Council declare Latrobe City a Genetically Manipulated free zone. The petition also requests that Council write to the Premier, Commonwealth and State Agriculture Ministers regarding the issue.

The petition requests that Council complete the following actions:

1. Write to the Premier to ask the State Government to:
  - a. Extend the ban on commercial GM canola for at least another 5 years;
  - b. Use its powers to create GM and GM-free areas and to declare our municipality a GM-free zone;
  - c. Establish a public on-line register (including maps) showing all GM release sites, experimental and commercial, so those who want to stay GM-free can avoid those sites.
2. Declare the Council's jurisdiction a GM-free zone by:
  - a. Amending Council's food service contracts to require GM-free foods in all council food services;
  - b. Posting GM-free zone signage in and around the municipality;
  - c. Publicly signing and distributing a GM-free zone declaration;
  - d. Publicising the GM-free zone declaration in local media, on the website and on notice boards;
  - e. Asking local businesses and organisations to support the GM-free zone by signing a GM-free statement;
  - f. If necessary, establishing a local register to record and map the location of any GM sites in the area.
3. Write to the Commonwealth and State Health and Agriculture Ministers, advocating that:
  - a. No state or territory government allow its GM crop ban expire without the agreement of all states;
  - b. All foods made using GM technology and processes be fully labelled; and
  - c. Strict liability laws are enacted to hold GM companies fully responsible for GM contamination.

#### 4. **ISSUES**

The petition and supporting documentation from the head petitioner outline a number of perceived issues with the use of genetically manipulated crops. These include health risks, corporate ownership of crops and the lack of information available regarding the effects of genetically manipulated crops. The petition also emphasises the need for appropriate labelling on genetically manipulated products.

**5. FINANCIAL AND RESOURCES IMPLICATIONS**

There are no financial or resource implications as a result of laying the petition on the table.

**6. INTERNAL/EXTERNAL CONSULTATION**

*Engagement Method Used:*

Not required at this time.

*Details of Community Consultation / Results of Engagement:*

Not required at this time.

**7. OPTIONS**

1. That the petition requesting that Council take action to declare Latrobe City a GM-free zone lay on the table until the Ordinary Council Meeting on 16 March 2009.
2. That the petition be considered at this meeting.

**8. CONCLUSION**

It is usual practice for petitions to lay on the table until the next ordinary meeting of Council as per Clause 100 of Council's Local Law No.1; this would be the 2 March 2009 Ordinary Council Meeting. However, given that the petition requests that a number of actions be investigated, the 16 March 2009 Ordinary Council Meeting is proposed.

**9. RECOMMENDATION**

1. That Council lays the petition requesting the establishment of Latrobe City as a Genetically Manipulated - free zone on the table until the Ordinary Council Meeting to be held on 16 March 2009.
2. That the head petitioner be advised of Council's decision in relation to the petition requesting the establishment of Latrobe City as a Genetically Manipulated - free zone.

**Moved:** Cr White

**Seconded:** Cr Middlemiss

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

**Moved:** Cr Gibson

**Seconded:** Cr Kam

**That Council investigates the effects of genetically manipulated crops on people's health and report back to Council on or before 16 March 2009.**

**CARRIED**

ATTACHMENT

Latrobe City

- 6 JAN 2009

**A GM-FREE ZONE PETITION TO LATROBE CITY COUNCIL**

We, the undersigned residents of the council area, ask our Council to take every possible action to help ensure that Genetically Manipulated (GM) crops are not grown in our region, and that our region remains GM-free. We therefore ask our Council to make and implement the following resolutions:

1. **Write to the Premier to ask the State Government to:**
  - a. extend the ban on commercial GM canola for at least another five years;
  - b. use its powers to create GM and GM-free areas and to declare our municipality a GM-free Zone (these powers conferred as per Section 21 of the Commonwealth Gene Technology Act 2000); and
  - c. establish a public on-line register (including maps) showing all GM release sites, experimental and commercial, so those who want to stay GM-free (farmers, beekeepers, etc) can avoid those sites.
2. **Declare the Council's jurisdiction a GM-free Zone by:**
  - a. amending council's food service contracts, to require GM-free foods in all council food services;
  - b. posting GM-free Zone signage in and around the municipality;
  - c. publicly signing and distributing a GM-free Zone Declaration;
  - d. publicising the GM-free Zone declaration in local media, on the website and on notice boards;
  - e. asking local businesses and organisations to support the GM-free Zone by signing on to a GM-free statement; and
  - f. if necessary, establishing a local register to record and map the location of any GM sites in the area.
3. **Write to Commonwealth and State Health and Agriculture Ministers, advocating that:**
  - a. no state or territory government allow its GM crop ban to expire without the agreement of all states;
  - b. all foods made using GM technology and processes are to become fully labelled; and
  - c. strict liability laws are enacted to hold GM companies fully responsible for GM contamination.

NAME	ADDRESS	SIGNATURE	PHONE	DATE / EMAIL
G. Pither	7 Tarwin St Boolarra	G. Pither	51696209	1-11-08
N. CARMONANT	38 GUTHRIES RD BOOLARRA	N. CARMONANT		1-11-08
M. Hassett	Guthries Hill Rd Boolarra	M. Hassett		1-11-08
C. M. Curth	2300 Budgerree Rd	C. M. Curth	516416424	3-11-08
C. Craddock	200 Morwell River Rd	C. Craddock	51696640	5-11-08
CHRIS GRAY	30 PENALUNA, BOOLARRA	CHRIS GRAY	51696750	5-11-08
L. Spence	1 Church St Boolarra	L. Spence	51696486	5-11-08
Ray Math	2 Austin St Boolarra	Ray Math	51696612	5/11/08
Jennifer Deaton	112 Mirboo Nth Rd Boolarra	Jennifer Deaton	51165125	5/11/08
C. Watt	33 Tarwin St. Boolarra	C. Watt	51696554	6/11/08
Jackie McBlade	825 Mirboo Nth Rd Boolarra	Jackie McBlade	51696507	6/11/08
Russell McChane	" " " "	Russell McChane	51696507	6-11-08
DAVID STALLON	55 AIRS RD BOOLARRA	DAVID STALLON	0851696294	6-11-08
Elizabeth Black	65 Schidels Rd Boolarra	Elizabeth Black	51631221	6-11-08
L. Smith	55-57 Lemonite Rd Boolarra	L. Smith	0414-841497	6-11-08
B. RYE	1435 GRAND RIDGER ST, BOOLARRA	B. RYE	51696596	6/11/08
SHANNON	115 MCINTOSH RD BOOLARRA	SHANNON		6/11/08
J. Field	115 McIntosh Rd. Boolarra	J. Field	0401087440	6-11-08
E. Ewert	10 York St Boolarra	E. Ewert		
G. MORGAN	2/1-3 Church St Boolarra	G. Morgan	51696721	6-11-08
Leo Thorne	16 Penaluna	Leo Thorne	51696518	6-11-08

Please return this petition to Organic Agriculture Association P.O. box 1263 Bairnsdale 3875

**A GM-FREE ZONE PETITION TO LATROBE CITY COUNCIL**

We, the undersigned residents of the council area, ask our Council to take every possible action to help ensure that Genetically Manipulated (GM) crops are not grown in our region, and that our region remains GM-free. We therefore ask our Council to make and implement the following resolutions:

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NAME	ADDRESS	SIGNATURE	PHONE	DATE / EMAIL
MICHAEL WILSON	FAIRMONT ST BOOLARRA	[Signature]	51696205	12-11-08
STEPHAN I. ABERTSON	50 LATROBE RD. BOOLARRA	[Signature]	51342324	14/11/08
200 Strengers	33 Tarwin St. Boodawa	[Signature]	51696554	18/11/08
Kristy Mill	37 Church St	[Signature]	51696226	17/11/08
Samantha Brich	lot 2420 Monash Way Boodawa	[Signature]	51631212	19.11.08
STEW NIDDAIR	5 FAIRMONT ST B/OOLARRA	[Signature]	51696580	19-11-08
MATT BOWCH	33 CHURCH ST B/OOLARRA	[Signature]	31696423	20/11/08
Rodney Ward	FAIRMONT ST B/OOLARRA	[Signature]	51696747	21/11/08
W WISE	MIRBOO WITH AN B/OOLARRA	[Signature]	51699717	21/11/08
J. ROBERTS	110 MIRSTS RD, BOOLARRA	[Signature]	51696653	21.11.2008
M. Birkbeck	35 Limonite Rd Boodawa	[Signature]	51696756	21/11/08
Mynia Whelan	20 McLushlip Rd Boodawa	[Signature]	51696700	21/11/08
Margie Munkia	49 LIMONITE RD B/OOLARRA	[Signature]	51696363	21-11-08
Sylvio Scuppo	820 Limonite Rd Boodawa	[Signature]	51696322	21/11/08
[Signature]	1016 DEERUNDA RD B/OOLARRA	[Signature]	088500527	21/11/08
L Spencer	1 Church St B/OOLARRA	[Signature]	51696490	22/11/08
S DYLES	Maxwell Rivers Rd	[Signature]	51696770	24/11/08
J. MATHESSEN	70 TODDS RD B/OOLARRA	[Signature]	51696246	25/11/08
D. Charlesman	Grand Ridge Rd, Boodawa St	[Signature]	56648310	27/11/08
P. Richards	PO Box 164, Boodawa	[Signature]	0432512618	28/11/08

Please return this petition to Organic Agriculture Association P.O. box 1263 Bairnsdale 3875

**A GM-FREE ZONE PETITION TO LATROBE CITY COUNCIL**

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  - a. extend the ban on commercial GM canola for at least another five years;
  - b. use its powers to create GM and GM-free areas and to declare our municipality a GM-free Zone (these powers conferred as per Section 21 of the Commonwealth Gene Technology Act 2000); and
  - c. establish a public on-line register (including maps) showing all GM release sites, experimental and commercial, so those who want to stay GM-free (farmers, beekeepers, etc) can avoid those sites.
2. **Declare the Council's jurisdiction a GM-free Zone by:**
  - a. amending council's food service contracts, to require GM-free foods in all council food services;
  - b. posting GM-free Zone signage in and around the municipality;
  - c. publicly signing and distributing a GM-free Zone Declaration;
  - d. publicising the GM-free Zone declaration in local media, on the website and on notice boards;
  - e. asking local businesses and organisations to support the GM-free Zone by signing on to a GM-free statement; and
  - f. if necessary, establishing a local register to record and map the location of any GM sites in the area.
3. **Write to Commonwealth and State Health and Agriculture Ministers, advocating that:**
  - a. no state or territory government allow its GM crop ban to expire without the agreement of all states;
  - b. all foods made using GM technology and processes are to become fully labelled; and
  - c. strict liability laws are enacted to hold GM companies fully responsible for GM contamination.

NAME	ADDRESS	SIGNATURE	PHONE	DATE / EMAIL
J Mater	city Rempsay Rd		57992498	7/9/08 jmater@taylora.com.au
C. M. M. M.	"		"	"
F. J. J. J.	55 Miltaco Rd Miltaco		56648218	07/09/08
L. Hammond	95 AMANES TR, Trafalgar		56331993	07/09/08
R. Neville	PO Box 56 Miltaco		50681667	07/09/08
E. Neville	"	Eric Neville	" "	07/07/08
J. Frank	PO Box 23 Yinnar		51631491	jfrank@net-tech.com.au
WISPA	74 Alamein St Miltaco		04052299	7/7/08
K. Jacobs	St Ewen's Rd Miltaco		56688276	7/9/08
A. Sumner	75 Elliotts St Trafalgar		04136019	7/9/08
N. Phillips	300 Sisters Rd GORDONVILLE		81942262	7/9/08
R. Bishop	155 Jumbuck Rd Yinnar		51221303	7/9/2008
R. CARSTAIRS	55 PIGGERY RD BULARRA		51696445	7/9/08
J. McCLADE	825 Miltaco Nth Rd Bucarra		51696507	7/9/08
M. Grant	36 Church St Bucarra		51696405	7/9/08
S. Cyphers	50 Hills Rd Baskera		0414531421	7/9/08
M. COFFEY	12 IRBY ST GARDI		51430084	7/9/08
D. MILES	408 CONNECTION RD		56348205	7 SEP 08
H. Booth	10 Reids rd.		51222964	7 September 08
S. Hough	2 Gunn Ct, Miltaco Nth		56681851	21-10-08
L. Taylor	2 Scarlose St Miltaco		56682447	21/10/08

Please return this petition to Organic Agriculture Association P.O. box 1263 Bairnsdale 3875

**A GM-FREE ZONE PETITION TO LATROBE CITY COUNCIL**

We, the undersigned residents of the council area, ask our Council to take every possible action to help ensure that Genetically Manipulated (GM) crops are not grown in our region, and that our region remains GM-free. We therefore ask our Council to make and implement the following resolutions:

1. **Write to the Premier to ask the State Government to:**
  - a. extend the ban on commercial GM canola for at least another five years;
  - b. use its powers to create GM and GM-free areas and to declare our municipality a GM-free Zone (these powers conferred as per Section 21 of the Commonwealth Gene Technology Act 2000); and
  - c. establish a public on-line register (including maps) showing all GM release sites, experimental and commercial, so those who want to stay GM-free (farmers, beekeepers, etc) can avoid those sites.
2. **Declare the Council's jurisdiction a GM-free Zone by:**
  - a. amending council's food service contracts, to require GM-free foods in all council food services;
  - b. posting GM-free Zone signage in and around the municipality;
  - c. publicly signing and distributing a GM-free Zone Declaration;
  - d. publicising the GM-free Zone declaration in local media, on the website and on notice boards;
  - e. asking local businesses and organisations to support the GM-free Zone by signing on to a GM-free statement; and
  - f. if necessary, establishing a local register to record and map the location of any GM sites in the area.
3. **Write to Commonwealth and State Health and Agriculture Ministers, advocating that:**
  - a. no state or territory government allow its GM crop ban to expire without the agreement of all states;
  - b. all foods made using GM technology and processes are to become fully labelled; and
  - c. strict liability laws are enacted to hold GM companies fully responsible for GM contamination.

NAME	ADDRESS	SIGNATURE	PHONE	DATE / EMAIL
L NINTER	1208 Foster Rd,	J Müller	51696702	
T NINTER	" " "	T Müller	51696702	
R SCHERER	770 JEBERAKANG WEST STERILANG 3870	Robyn Scherer	51222728	
N SILVER	" "	N Silver	" "	
S. BROWN	96NALUNAST BOOLARRA	S. Brown	0438846114	
C. Howard	841 Mac Donald Rd	C. Howard	51601224	
G. DUNGER	" "	G. Dunger	" "	
Ben Lawrence	105 Princes Drive	Ben Lawrence	51339066	
R. Warren	81 Chancellors	R. Warren	51886170	
Linton Young	1/1A Grandview Gue Morwell.	L. J. Young	51344914	7-9
T. Brown	115 Pioneer Rd Boolarra	T. Brown	51696466	
S. Mansfield	70 TODD RD 3870	S. Mansfield	51696246	
J. DENTON	1192 MURKIN RD BOOLARRA	J. Denton	51165125	
E. SMART	142 Pennington St Boolarra	E. Smart	51696643	
T. SCRAV	2 Pennington Rd	T. Scrav	51696211	
R. SEAR	" "	R. Sear		
P. ELKINS	21 Liqueur St Dromana	P. Elkins	041351145	
S. REID	41 Ross St Neerim	S. Reid	5667420	
L. EASTGATE	Roxdale PO Box 148	L. Eastgate	0359992909	
P. WARREN	10 Linton Rd Boolarra	P. Warren	51696597	
P. STASINOWSKI	10 Linton Rd Boolarra	P. Stasinowski	51696557	

Please return this petition to Organic Agriculture Association P.O. box 1263 Bairnsdale 3875









# **ECONOMIC SUSTAINABILITY**

**11.2.1 LATROBE REGIONAL AIRPORT DECEMBER 2008**

**AUTHOR:** General Manager Economic Sustainability  
**(ATTACHMENT – NO)**

**1. PURPOSE**

The purpose of this report is to provide Council with an update on the operations of the Latrobe Regional Airport for the quarter ended 31 December 2008.

**2. POLICY IMPLICATIONS**

This report is consistent with Council's Latrobe 2021 vision document and the Council Plan 2008-2012.

Latrobe 2021

*Strategic Objective - Sustainability*

To promote the responsible and sustainable care of our diverse built and natural environment for the use and enjoyment of the people who make up the vibrant community of the Latrobe Valley. To provide leadership and to facilitate a well connected, interactive economic environment in which to do business.

*Community Outcome - Economic Sustainability*

By providing leadership and facilitating a vibrant and dynamic environment in which to do business.

*Strategic Action*

Promote and support the development of existing and new industry, and infrastructure to enhance the social and economic well-being of the Valley.

Council Plan 2008-2012

Continue implementation of the Airpark Masterplan and continue leasing industrial allotments at the Latrobe Regional Airpark.

### *Strategy/Plans*

This report is consistent with Council's adopted Economic Development Strategy (2007). This strategy outlines the key economic development actions that will be undertaken to underpin economic development, build business and community relationships, increase public and private sector investment and increase employment levels.

### *Governance Framework*

The Latrobe Regional Airport is owned by the Latrobe City Council and operates under the management of the Latrobe Regional Airport Board. Under Section 4 (b) of the Deed of Delegation from Latrobe City Council, under which the Latrobe Regional Airport Board operates, a progress report is to be provided to Council, both quarterly and annually.

## **3. BACKGROUND**

This report provides Council an update of the performance of the Latrobe Regional Airport Board against the business plan, budget and Airport Masterplan under which development of the Airport is guided.

## **4. ISSUES**

A range of significant activities took place during the quarter ended 31 December 2008.

### *Construction Works - Airport Upgrade*

Construction works funded jointly by the Latrobe Regional Airport and the Victorian Government's Regional Infrastructure Development Fund neared completion during the December quarter. This \$1 million project is designed to assist the Airport Board to accommodate enquiries in relation to potential industrial and commercial development at the Airport by improving infrastructure and related services.



The components of the upgrade completed in the December 2008 quarter included the further development of the Commercial/Industrial Airpark, expansion of the Private Hangar Precinct, the provision of services to the eastern commercial precinct, construction of the remainder of the main Airport apron and construction of a new emergency access road. The remainder of the works are on track for completion during the quarter ending 30 March 2009.

#### *Airport Masterplan Review*

A review of the existing 2007 Airport Masterplan is being undertaken by Consultant Connell Wagner. On completion of the Airport Masterplan will provide for a 20 year planning horizon, guide future development and associated investment at the Airport and prepare a planning framework within the Latrobe Planning Scheme that will achieve identified objectives of the Masterplan.

The Airport Master Plan review continued during the quarter with interviews conducted with the majority of Airport tenants. Interviews continued through January 2009. The draft Master Plan is expected to be considered by the Airport Board in February 2009.

#### *Rural Airport of the Year*

During the December 2008 quarter the Latrobe Regional Airport was awarded the Australian Airports Association Rural Airport of the Year Award for 2008 for Aviation Excellence.

This award recognised the Airport for the development of the new Helimed Centre, construction of services and taxiways to the commercial airpark, establishment of the permanent Department of Sustainability and Environment fire fighting airbase, attracting Airport development funding through Regional Development Victoria, introducing a “greening the Airport” policy and establishment of conservation zones within the Airport boundaries.

**5. FINANCIAL AND RESOURCES IMPLICATIONS**

The Airport is operating within its 2008/09 budget allocation of \$466,000.

**6. INTERNAL/EXTERNAL CONSULTATION**

Nil

**7. OPTIONS**

Council may choose to:

1. Accept the Latrobe Regional Airport Board quarterly report update; or
2. Seek further clarification on the Latrobe Regional Airport Board quarterly report update; or
3. Reject the Latrobe Regional Airport Board quarterly update.

**8. CONCLUSION**

The 2008/09 financial year activities at the Latrobe Regional Airport are progressing on track and within budget. The Airport capital works program for 2008/09 is currently underway, and all works funded jointly by Latrobe Regional Airport and the Regional Infrastructure Development Fund will be completed this financial year.

**9. RECOMMENDATION**

**That Council notes the information contained within the quarterly report on Latrobe Regional Airport operations for the quarter ended 31 December 2008.**

**Moved:** Cr O'Callaghan

**Seconded:** Cr Lougheed

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**



# GOVERNANCE

**11.6.1 CONTRACT ACTIVITIES AT PREVIOUS COUNCIL MEETINGS AND BY THE CHIEF EXECUTIVE OFFICER UNDER DELEGATION**

**AUTHOR:** General Manager Governance  
**(ATTACHMENT – NO)**

The following is a summary of contracts awarded by the Chief Executive Officer under delegation on 7 January 2009:

INVITATION TO TENDER 12577  
 Reconstruction of Fleming Street, Morwell

That tender submitted by QR Constructions (Gippsland) Pty Ltd for invitation to tender 12577 Reconstruction of Fleming Street, Morwell, for the sum of \$178,874.50 exclusive of GST, as this tender provides the best value for money outcome for the community when assessed against the evaluation criteria.

The following is a summary of contracts signed and sealed by the Chief Executive Officer under delegation on 3 December 2008:

CONTRACT NO	DESCRIPTION	CONTRACTOR	DATE AWARDED BY COUNCIL
12559	Provision of Valuation Services	CJA Lee Property Pty Ltd	CEO Approval under delegation 19/11/2008
12566	Footpath Maintenance Program in high, medium and low risk areas in Latrobe City	Ace Earthmoving Pty Ltd	Item No: 14.4 17/11/2008
12565	Cleaning of Senior Citizens Centre buildings	Menzies international (Aust) Pty Ltd	CEO Approval under delegation 13/11/2008

The following is a summary of contracts signed and sealed by the Chief Executive Officer under delegation on 22 December 2008:

CONTRACT NO	DESCRIPTION	CONTRACTOR	DATE AWARDED BY COUNCIL
12543	Traralgon Station precinct master plan	Coomes Consulting Group Pty Ltd	Item No: 14.5 17/11/2008
12567	Ecosol Pty Ltd	Design, manufacture & installation of gross pollutant trap in Northern Avenue, Newborough	CEO Approval under delegation 19/11/2008

The following is a summary of contract variations approved by the Chief Executive Officer under delegation on 7 January 2009:

CONTRACT NO	DESCRIPTION	CONTRACTOR	ORIGINAL CONTRACT AMOUNT	PREVIOUS VARIATION AMOUNT	VARIATION AMOUNT	ADJUSTED CONTRACT AMOUNT
12548	Streetscaping at Church Street, Morwell from Princes Drive to Buckley Street	Filmer Group Pty Ltd	\$170,643.10	\$0.00	\$42,992.50	\$213,635.60

### **RECOMMENDATION**

**That Council notes this report on contract decisions by the Chief Executive Officer under delegation on 3 December 2008, 22 December 2008 and 7 January 2009.**

**Moved:** Cr Lougheed  
**Seconded:** Cr Middlemiss

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

**11.6.2 DOCUMENTS PRESENTED FOR SIGNING AND SEALING****FILE NO:** As stated**AUTHOR:** General Manager Governance**(ATTACHMENT - NO)**

PP2007/207	Section 173 Agreement pursuant to the Planning and Environment Act 1987 between Latrobe City Council and John David Brady as the Owner of the land described in Certificate of Title Volume 9595 Folio 849 being Lot 2 LP 147855 situated at 45 Bradys Lane, Glengarry West pursuant to Condition 2 of Planning Permit No.2007/207 dated 12/09/07 for Plan of Subdivision PS614952T which provides that the land will not be further subdivided so as to create a smaller lot for an existing dwelling.
PP2008/154	Section 173 Agreement pursuant to the Planning and Environment Act 1987 between Latrobe City Council and Oxmore Pty Ltd, Robert Ernest Farmer and Frances Beryl Farmer as the Owners of the land described in Certificates of Title Volume 10545 Folios 781 and 782 being Lots 1 & 2 PS 433840 situated at 85 Minniedale Road and Widows Lane, Traralgon East pursuant to Condition 2 of Planning Permit No.2008/154 dated 13/06/08 for Plan of Subdivision PS620568K which provides that the land will not be further subdivided so as to increase the number of lots.

**RECOMMENDATION**

1. That Council authorises the Chief Executive Officer to sign and seal the Section 173 Agreement pursuant to the *Planning and Environment Act 1987* between Latrobe City Council and John David Brady as the Owner of the land described in Certificate of Title Volume 9595 Folio 849 being Lot 2 LP 147855 situated at 45 Bradys Lane, Glengarry West which provides that the land will not be further subdivided so as to create a smaller lot for an existing dwelling.
2. That Council authorises the Chief Executive Officer to sign and seal the Section 173 Agreement pursuant to the *Planning and Environment Act 1987* between Latrobe City Council and Oxmore Pty Ltd, Robert Ernest Farmer and Frances Beryl Farmer as the Owners of the land described in Certificates of Title Volume 10545 Folios 781 and 782 being Lots 1 & 2 PS 433840 situated at 85 Minniedale Road and Widows Lane, Traralgon East which provides that the land will not be further subdivided so as to increase the number of lots.

**Moved:** Cr Lougheed  
**Seconded:** Cr O'Callaghan

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

**URGENT BUSINESS**

## 12. URGENT BUSINESS

**Moved:** Cr Lougheed

**Seconded:** Cr Gibson

**That Cr White be permitted to introduce an item of Urgent Business.**

**CARRIED UNANIMOUSLY**

**Moved:** Cr White

**Seconded:** Cr Gibson

1. **That Council formally acknowledges the enormous amount of work and support provided by the many agencies, their staff and volunteers, including Latrobe Council's staff, and the general community in responding to the devastating fires that gripped southern parts of our municipality over the past five days; and**
2. **That the Mayor issues a media release expressing Council's gratitude to all that have assisted in responding to this disastrous event.**

**CARRIED UNANIMOUSLY**

**Moved:** Cr Gibson

**Seconded:** Cr Kam

**That Cr Gibson be permitted to introduce an item of Urgent Business.**

**Moved:** Cr Gibson

**Seconded:** Cr Kam

**Open up one of the Issues and Discussion Sessions per month to the public.**

**The Mayor ruled that this was not an item of Urgent Business.**

**The Motion was put and LOST.**

**Moved:** Cr Gibson  
**Seconded:** Cr Kam

**That Cr Gibson be permitted to introduce an item of Urgent Business.**

**Moved:** Cr Gibson  
**Seconded:** Cr Kam

**Review of Public Toilets.**

**The Motion was put and LOST.**



### **13. TEA BREAK**

#### **Adjournment of Meeting**

The Mayor adjourned the Meeting at 7.38 pm for a tea break.

#### **Resumption of Meeting**

The Mayor resumed the Meeting at 7.55 pm.

#### **Meeting Closed to the Public**

The Meeting closed to the public at 7.56 pm.

# **ITEMS CLOSED TO THE PUBLIC**

**14.1 MEETING CLOSED TO THE PUBLIC**

**AUTHOR:** General Manager Governance  
**(ATTACHMENT – NO)**

**1. PURPOSE**

The purpose of this report is for Council to consider closing this meeting to the public to allow Council to deal with items which are of a confidential nature.

Section 89(2) of the *Local Government Act 1989* enables the Council to close the meeting to the public if the meeting is discussing any of the following:

- (a) Personnel matters;
- (b) The personal hardship of any resident or ratepayer;
- (c) Industrial matters;
- (d) Contractual matters;
- (e) Proposed developments;
- (f) Legal advice;
- (g) Matters affecting the security of Council property;
- (h) Any other matter which the Council or Special Committee considers would prejudice the Council or any person;
- (i) A resolution to close the meeting to members of the public.

**2. RECOMMENDATION**

**That Council closes this meeting to the public to consider items which are of a confidential nature, pursuant to section 89(2) of the *Local Government Act 1989* for the following reasons:**

Items	Reasons under s.89(2) of the LGA
14.1 MEETING CLOSED TO THE PUBLIC	Other - s.89(2)(h)
14.2 ADOPTION OF MINUTES	Other - s.89(2)(h)
14.3 CONFIDENTIAL ITEMS	Other - s.89(2)(h)
14.4 TRARALGON EARLY LEARNING CENTRE REDEVELOPMENT PROJECT - REPORT ON SITE SELECTION AND DUE DILIGENCE PROCESS	Contractual – s.89(2)(d)

**Moved:** Cr Lougheed

**Seconded:** Cr White

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

**14.2** ADOPTION OF MINUTES

**AUTHOR:** General Manager Governance  
**(ATTACHMENT – NO)**

**RECOMMENDATION**

**That the Minutes of the Ordinary Council Meeting held on 15 December 2008 (CM 283), relating to those items closed to the public, be adopted.**

**Moved:** Cr Lougheed

**Seconded:** Cr Middlemiss

**That the Recommendation be adopted.**

**CARRIED UNANIMOUSLY**

**14.3 CONFIDENTIAL ITEMS**

**AUTHOR:** General Manager Governance  
**(ATTACHMENT – NO)**

**RECOMMENDATION**

1. That all presentations, discussions, presentation excerpts and reports listed on the Issues and Discussion Session Agenda held on 27 January 2009 be considered confidential until so determined otherwise by resolution of Council for the reason that the items were discussed at a meeting closed to the public, the Council has not passed a resolution that the information is not confidential and the items are confidential for the following reason/s under section 89 of the *Local Government Act 1989 (Vic)* (LGA):

Items	Reasons under s.89(2) of the LGA
3.0 Final Mid-Year Budget review	Other – s.89(2)(h)
5.0 Presentations Traralgon Early Learning Centre	Contractual Matters and Proposed Developments – s.89(2)(d)&(e)
7.0 Draft Ordinary Council Meeting Agenda – 2 February (CM 284)	Other – s.89(2)(h)

2. That all presentations, discussions, presentation excerpts and reports listed on the Issues and Discussion Session Agenda held on 27 January 2009 and marked 'Not Confidential' be considered items that are not confidential to the public until so determined otherwise by resolution of Council.
3. That all information, documents, reports, memorandums, correspondence and like provided to Councillors between the dates of 16 December 2008 to 2 February 2009 (inclusive) and designated by the Chief Executive Officer as confidential, remain confidential pursuant to section 89(2)(h) of the *Local Government Act 1989 (Vic)*.

**Moved:** Cr Kam

**Seconded:** Cr Fitzgerald

1. That all presentations, discussions, presentation excerpts and reports listed on the Issues and Discussion Session Agenda held on 27 January 2009 be considered confidential until so determined otherwise by resolution of Council for the reason that the items were discussed at a meeting closed to the public, the Council has not passed a resolution that the information is not confidential and the items are confidential for the following reason/s under section 89 of the *Local Government Act 1989 (Vic) (LGA)*:

Items	Reasons under s.89(2) of the LGA
3.0 Final Mid-Year Budget review	Other – s.89(2)(h)
5.0 Presentations Traralgon Early Learning Centre	Contractual Matters and Proposed Developments – s.89(2)(d)&(e)
7.0 Draft Ordinary Council Meeting Agenda – 2 February (CM 284)	Other – s.89(2)(h)

2. That all presentations, discussions, presentation excerpts and reports listed on the Issues and Discussion Session Agenda held on 27 January 2009 and marked 'Not Confidential' be considered items that are not confidential to the public until so determined otherwise by resolution of Council.
3. That all information, documents, reports, memorandums, correspondence and like provided to Councillors between the dates of 16 December 2008 to 2 February 2009 (inclusive) and designated by the Chief Executive Officer as confidential, remain confidential pursuant to section 89(2)(h) of the *Local Government Act 1989 (Vic)*.
4. That all information pertaining to Mount Hope Road Walking path Tyers be considered not confidential to the public until so determined otherwise by resolution of Council.

**CARRIED UNANIMOUSLY**

**14.4** **TRARALGON EARLY LEARNING CENTRE REDEVELOPMENT  
PROJECT - REPORT ON SITE SELECTION AND DUE  
DILIGENCE PROCESS**

**AUTHOR:** General Manager Community Liveability  
**(ATTACHMENT – YES)**

**1. PURPOSE**

The purpose of this report is to advise Council on the outcome of the site selection and due diligence processes in relation to the Traralgon Early Learning Centre (TELC) Redevelopment Project. The report seeks a decision from Council on a preferred site for a new TELC service.

**2. POLICY IMPLICATIONS**

This report is consistent with Council's Latrobe 2021 vision document and the Council Plan 2008-2012.

*Latrobe 2021 and Council Plan 2008-2012*

*Strategic Objective – Liveability*

To promote and support social, recreational, cultural and community life by providing both essential and innovative amenities, services and facilities within the municipality.

*Community Outcome – Community Liveability*

By enhancing the quality of resident' lives, by encouraging positive interrelated elements including safety, health, education, quality of life, mobility, and accessibility, and 'sense of place'.

*Strategic Action*

Support government agencies, non government agencies and the community to provide high quality preschool and childcare.

This Strategic Action will be achieved through the following Key Priorities and Actions in the Council Plan 2008-2012:

Deliver an accessible preschool service in Latrobe City in accordance with Council's preschool policy.

Provide Early Learning Centres and deliver the Family Day Care Program to the community.

*Policy No. DCS-DCS 002 Child Care Centre Policy:*

Latrobe City will manage early learning centres in Traralgon, Morwell and Moe and in the future Churchill on a self-funded basis in accordance with the *Children's Services Regulations 1998* and the *Children's Services Act 1996*. The purpose of these centres is to provide a safe, stimulating and affordable quality childcare option to parents who either reside or work in the municipality. The early learning centres are designed to provide long day care, part time or occasional care for children under five years of age in a manner which responds to the expressed needs of parents.

This report is also consistent with the Latrobe City Childcare Strategy 2006-2011.

*The strategy is designed to provide the strategic direction for Council to ensure that children and families in Latrobe City have access to quality childcare that meets future needs. It will assist Council in its roles in:*

- 1. Planning for childcare services to ensure families have access to a range of responsive childcare options.*
- 2. Advocacy on behalf of the community for additional service where there are service gaps.*
- 3. Community capacity-building to ensure services are equipped to deliver quality childcare services.*
- 4. Delivering Family Day Care (FDC), Occasional Care (OCC) and Long Day Care (LDC) services.*

*The Strategy commits Council to achieving a number of key objectives including:*

- Investment in infrastructure.*
- Provide integrated centre based childcare services for 0-5 year old children in each major town by 2011.*
- Responding to parents and children's needs in provision of childcare.*
- Take the lead in community planning in the delivery of quality childcare services within the municipality.*
- Ensure all Council's childcare services are responsive to local needs.*
- Provide childcare services that are environmentally and financially sustainable.*



This report is consistent with Council's Public Open Space Plan (May 2007).

*The Public Open Space Plan incorporates a number of principles to guide Council's management of public open space, including:*

1. *Latrobe City is committed to providing a variety of high quality public open space facilities including active sports grounds, walking and bicycle paths, playgrounds, bush reserves, lake sides, BBQ / picnic areas, civic areas, streetscapes, informal activity areas and amenity space.*
2. *Provision in residential areas:*
  - *Local - The majority of houses in residential areas should have access to a minimum of 0.5 hectares of public open space within a 500 metre radius.*
  - *District - The majority of houses in residential areas should have access to district level public open space within a 3 km radius.*
  - *Regional - Each town with a population of over 5,000 should have regional level public open space within the township boundaries.*
3. *Council recognises that in rural areas larger land holdings and town based recreation facilities meet the local level needs of rural residents.*
4. *All community accessible public open space should have a clearly identified use, either active or passive recreation, community amenity space or nature conservation.*
5. *Community accessible public open space should be managed by the most appropriate governing body.*

*The Public Open Space Plan also draws on the 2006 Playground Strategy and the Recreation & Leisure Strategy which are underpinned by the following principles:*

1. *Council's role and responsibility in the development and provision of recreation and leisure opportunities shall be clearly defined.*
2. *There shall be a diverse range of accessible recreation facilities and services, and open space areas available across the City.*
3. *Priority shall be given to supporting the provision of recreation facilities and services that cater for both municipal and local level needs.*
4. *The provision and allocation of recreation facilities and services shall be equitable according to age, gender, cultural background and ability.*

5. *Generally, there shall be a focus on the consolidation of existing sporting facilities within the Region, and an emphasis on the provision of new (unstructured) recreational pursuits and open space use.*
6. *There shall be a genuine attempt by Council to encourage the community into recreational activities for the health, well-being and social benefits they provide.*
7. *Recreation and leisure facilities and settings shall provide safe and supportive environments for participants.*
8. *The provision of recreation and leisure facilities shall maximise shared usage and flexibility to meet changing community needs and aspirations.*
9. *A collaborative and partnership approach with community groups, government agencies and the private sector will drive the provision of recreation and sporting facilities and services, and the provision of open space.*

### **3. BACKGROUND**

The redevelopment of TELC is a long-standing major project for Latrobe City. The project is intended to deliver a new occasional child care centre with a minimum of 45 places and additional preschool capacity for Traralgon in a modern facility which meets current and known future regulations and standards, and can reasonably meet future growth.

The future location of TELC has also been the subject of considerable community interest and debate.

The current TELC facility at 196 Franklin Street Traralgon is at capacity and is reaching the end of its operational life.

At the Ordinary Council Meeting held on 17 March 2008, Council adopted the following resolution in relation to the assessment of locations for the TELC Redevelopment Project:

1. *That Council notes this report.*
2. *That Council provides an opportunity for comment over a six week period with local residents, parents and users of the TELC and the Kay Street Preschool, and the wider community to identify and address issues relating to those locations deemed suitable as per appendix two of this report.*
3. *That a further report be provided to Council at its Ordinary Meeting to be held on 19 May 2008 regarding the outcome of the community consultation and outlining an action plan to implement Council's resolutions regarding the redevelopment of TELC and the provision of additional preschool capacity in Traralgon.*

4. *That the Head Petitioners of the two petitions received at the 3 March 2008 Ordinary Council meeting relating to the proposed relocation of the Traralgon Early Learning Centre be advised of Council's decision.*

Six specific sites in Traralgon were assessed as potentially suitable for relocation of TELC and the provision of additional preschool capacity:

1. Hubert Osborne Park (former tennis court site) between the Kay Street Preschool and Mabel Street
2. "North Wing", Civic Precinct, corner Church and Grey Streets
3. Cumberland Park Preschool, corner Kay and Kosciusko Streets, Traralgon
4. VicRoads parkland – 133-137 Grey Street
5. Former Latrobe Regional Hospital site, Princes Hwy
6. Baptist Church, Kay Street, Traralgon

Council officers conducted a community consultation process in relation to the six sites, engaging with the major stakeholder groups and providing an opportunity for members of the community to obtain information regarding the project, site options and provide comment to Council. The community consultation process used exceeded the requirement of the Community Engagement Policy and Strategy in terms of the length of period allowed for public comment, and the range of methods used to seek community input.

A Project Information Pack was developed to support the consultation process. This pack outlined the purpose of the TELC Redevelopment Project, profiles of each site, assessment details, cost factors and site maps.

An interim report on the community consultation process was provided to Council at the Ordinary Council Meeting held on 19 May 2008. At this meeting Council adopted the following resolution:

*That a further report be presented to an Ordinary Council Meeting providing a summary of written responses received in relation to the Traralgon Early Learning Centre Redevelopment Project.*

During the course of the community consultation process, two additional options were identified:

- An alternative orientation of the proposed building on Hubert Osborne Park
- Purchase of an existing childcare centre located at 2 Mapleson Drive, Traralgon

A further report was presented to Council at the Ordinary Council Meeting held on 1 September 2008, outlining the additional options and requesting an extension of time for the consultation process, to enable the community to consider these additional options and provide feedback.

At this meeting Council adopted the following resolution:

1. *That Council extends the consultation and assessment process for the Traralgon Early Learning Centre Redevelopment Project to enable consideration of additional options at Lot 83 Mapleson Drive, Traralgon and Hubert Osborne Park.*
2. *That a further report detailing the outcome of the consultation and assessment process for options for the Traralgon Early Learning Centre Redevelopment Project, with a recommendation of a preferred site be presented to Council at the Ordinary Council Meeting to be held on 6 October 2008.*

Consistent with this resolution, a further report was provided to Council on 6 October 2008 which outlined the results of the community consultation process and the assessment of each site against the Council's adopted criteria. An additional report outlining confidential financial and site-specific information was presented on the same night to Council in a closed session.

At the ordinary meeting on 6 October 2008, Council adopted the following resolution:

1. *That Council adopts 2 Mapleson Drive, Traralgon and Hubert Osborne Park options as preferred sites for the new Traralgon Early Learning Centre and a Preschool Centre.*
2. *That appropriate due diligence, financial analysis and property inspection reports be undertaken in relation to the sites at 2 Mapleson Drive, Traralgon and Hubert Osborne Park options.*
3. *That a further report be provided to Council regarding the outcome of due diligence, financial analysis and property inspection reports undertaken in relation to the sites at 2 Mapleson Drive, Traralgon and Hubert Osborne Park options, recommending a final preferred location.*

#### 4. ISSUES

The three preferred sites for the TELC Redevelopment Project are as follows:

Site	Description
Hubert Osborne Park – Option One (Attachment Four)	Construction of a new building extending from the West side of the existing Kay Street Preschool to the North West, into a vacant area of Hubert Osborne Park. This will deliver a 45 place occasional care centre, 30 place preschool and refurbishment of the existing preschool to provide additional amenities.
Hubert Osborne Park – Option Two (Attachment Five)	An alternative design to Hubert Osborne Park Option One – construction of a new building extending from the existing Kay Street Preschool to the North East into an underutilised area of the Traralgon Swimming Pool lawn. This will deliver a 45 place occasional care centre, 30 place preschool and refurbishment of the existing preschool to provide additional amenities.
2 Mapleson Drive Traralgon (Attachment Six)	Purchase of an existing child care centre located south of the Traralgon Central Activity Area. This centre is a 120 place purpose built facility, constructed in 2006 with a capacity to provide a 60 place child care centre, 30 place preschool, and 30 places for either long day care, prekinder or an additional preschool.

Each of these sites was subjected to a comprehensive community consultation and site assessment process. This assessment process included an initial financial analysis of each site and the anticipated project costs. It also considered community values regarding open space and provision of child care; service demand and timing constraints; and the operational and regulatory requirements for provision of child care services.

#### *Site Assessment*

Throughout the TELC Redevelopment Project process, a consistent set of criteria have been used to assess each potential site and facilitate short-listing from an original list of 30 sites. These criteria were established in the Latrobe City Childcare Strategy 2006-2011.

At each stage of the site assessment and short-listing process, the assessment for each site has been reviewed, and where appropriate revised, by the project team and senior officers.

The criteria and scoring methodology are outlined below:

<b>Criteria</b>	<b>Assessment Method</b>
Accessibility (relative ease by which parent can locate building and physical access from road side / car park)	Scored: 1 (does not meet) -10 (fully meets)
Proximity to transport and commercial areas	Scored: 1 (does not meet) -10 (fully meets)
Sufficient size and dimensions to ensure regulations and design requirements can be met (irregular shaped land limits flexibility and effective design)	Scored: 1 (does not meet) -10 (fully meets)
Public visibility – building needs to be clearly identifiable to public, not overshadowed or hidden, allows good surveillance of perimeter)	Scored: 1 (does not meet) -10 (fully meets)
Visual and noise impacts of facility on surrounding environment and compatibility with surrounding land use	Scored: 1 (does not meet) -10 (fully meets)
Capacity to connect with other children and family services either through co-location or a precinct arrangement	Scored: 1 (does not meet) -10 (fully meets)
Meets minimum size requirements (0.4 to 0.75 ha)	Scored: 1 (does not meet) -10 (fully meets)
Relatively flat land	Scored: 1 (does not meet) -10 (fully meets)
Suitable soil (to meet DHS requirements for hazardous chemicals assessment and to facilitate sound construction)	Fully – Scored: “+1” Partially - Scored: “0” Does not meet – Scored: “-1”
Financial Cost to Council	Financial benefit – Scored: “+1” Neutral benefit – Scored: “0” Additional cost to Council – scored: “-1”

Based on these criteria a final rating for the preferred sites has been established as follows:

<b>Criteria</b>	<b>Option</b>		
	<b>2 Mapleson Drive</b>	<b>Hubert Osborne Park Option One</b>	<b>Hubert Osborne Park Option Two</b>
Accessibility	9	8	8
Proximity to transport and commercial areas	9	10	10
Sufficient size and dimensions	8	9	7
Public visibility	9	9	9

Criteria	Option		
	2 Mapleson Drive	Hubert Osborne Park Option One	Hubert Osborne Park Option Two
Visual and noise impacts and surrounding land use	10	7	9
Capacity to connect with other children and family services	9	10	10
Meets minimum size requirements (0.4 to 0.75 ha)	8	9	8
Relatively flat land	9	10	10
Suitable soil	1	1	1
Financial Cost to Council	-1	-1	-1
<b>TOTAL</b>	<b>71</b>	<b>72</b>	<b>71</b>

This assessment indicates that each short-listed site met all selection criteria with the exception of cost to Council. Hubert Osborne Park Option One scored marginally better than the other two options, although the difference is minor. An examination of scoring against individual criteria indicates that Mapleson Drive scored high against all criteria (8 or more) except cost to Council, whereas Hubert Osborne Park Option One registered medium-high scores in relation to visual and noise impacts. Hubert Osborne Park Option Two scored in the medium-high range in relation to dimensions, visual and noise impact and available land size.

Previous reports to Council have also identified specific advantages and disadvantages of each site. These include:

Site	Advantages	Disadvantages
Hubert Osborne Park Option One	<ul style="list-style-type: none"> <li>• Is accessible and visible to the public.</li> <li>• A location close to the Traralgon CBD (600m from the Traralgon Post Office) and transport routes.</li> <li>• Provides an opportunity to link to an existing children's service and is located close to the Maternal &amp; Child Health Centre, Service Centre and Library.</li> <li>• Is of sufficient size and dimensions to ensure regulations and standards are met and has appropriate northerly orientation.</li> </ul>	<ul style="list-style-type: none"> <li>• Would require utilisation of public open space.</li> <li>• Likely to attract significant opposition from the community due to perceived impact on the visual and ambient amenity of surrounding neighbourhood.</li> <li>• Would require additional works to improve the amenity of Hubert Osborne Park.</li> <li>• Limited capacity for future growth.</li> </ul>

Site	Advantages	Disadvantages
Hubert Osborne Park Option Two	<ul style="list-style-type: none"> <li>• Is accessible and visible to the public.</li> <li>• A location close to the Traralgon CBD (600m from the Traralgon Post Office) and transport routes.</li> <li>• Provides an opportunity to link to an existing children's service and is located close to the Maternal &amp; Child Health Centre, Service Centre and Library.</li> <li>• Does not utilise existing public open space.</li> <li>• Reduced visual and ambient impact on neighbourhood.</li> <li>• Creates potential for integration with swimming pool infrastructure.</li> <li>• Has appropriate soil and drainage.</li> </ul>	<ul style="list-style-type: none"> <li>• Orientation of the building to the North-West not desirable from an architectural, energy efficiency and operational perspective.</li> <li>• The size and dimensions of the playground areas are compromised, creating difficulties in maintaining "line-of-sight" from the childcare rooms to the playground areas and limiting design options.</li> <li>• Additional design and construction costs to accommodate integration with the Kay Street preschool.</li> <li>• Limited capacity for future expansion.</li> <li>• Would require relocation of some facilities in the swimming pool area and minor improvements to pool surrounds.</li> <li>• A 20% cost increase compared to Hubert Osborne Park Option One do to design complexity of extending from east side of existing preschool and land constraints.</li> <li>• Limited capacity for future growth.</li> </ul>



Site	Advantages	Disadvantages
2 Mapleson Drive	<ul style="list-style-type: none"> <li>• Pre-built centre available for use at an earlier timescale than other options requiring construction.</li> <li>• Existing fittings and fixtures including playground and internal play equipment would be available for purchase at a reduced rate.</li> <li>• Would involve no loss of public open space.</li> <li>• Consistent with its current use and is compatible with surrounding land uses.</li> <li>• Within walking distance of the Traralgon CBD (1.1 km from the Traralgon Post Office).</li> <li>• Good access and excellent visibility and is located on a major transport link and includes an existing “drop-off” zone.</li> <li>• Size and configuration of facility would allow for flexible use over the next few years, including capacity for playgroups, three year old kinder and parents groups.</li> <li>• Potential to provide a future capital saving to Council as projected growth in demand for both Occasional Care and Preschool enrolments over the next five to seven years could be accommodated within this facility.</li> </ul>	<ul style="list-style-type: none"> <li>• Extension of playground and relocation of car park required to meet Council standards.</li> <li>• Located 500m further from CBD than Hubert Osborne Park.</li> <li>• Subdivision of land including new playground and car-park will need to meet requirements of West Gippsland Catchment Management Authority, given proximity to land zoned urban Flood Zone.</li> </ul>

### *Community Responses*

The community consultation process identified community preferences for or against each site as follows:

Site option	Support	Oppose
Hubert Osborne Park – Option One	15	60
Hubert Osborne Park – Option Two	3	22
2 Mapleson Drive	31	0

This indicates that amongst those who made submissions or comments a significant number were in support of 2 Mapleson Drive and opposed to both Hubert Osborne Park options.

### *Total Project Cost*

A total project cost comparison was undertaken in relation to each preferred site during the community consultation process. This has been further refined through the due diligence process and as a result of more detailed work on construction and purchase costs for each option.

The Project Cost analysis was calculated to include the following estimates:

- Construction costs for both Hubert Osborne Park options were estimated by an independent Quantity Surveyor based on detailed design by a qualified architect in March 2008.
- A nominal purchase price for of \$2,500,000 used for 2 Mapleson Drive (greater than the initial valuation of \$2,065,000) to allow for any additional costs associated with the property, negotiating position of owners and to provide a conservative approach to cost analysis.
- Provision for additional site works required for each site.
- Provision for playground design and landscaping costs.
- Escalation of building costs.
- Legal costs to Council.
- Fitout.
- Allowance for comparable facilities at all sites.
- Potential cost of future expansion or growth.

This initial analysis indicated that Hubert Osborne Park Option One would have the lowest start-up project cost estimated at \$2,650,500; followed by 2 Mapleson Drive, estimated at \$2,915,000 and Hubert Osborne Park Option Two at \$3,008,900.

However when the future capital cost of likely growth in service demand is factored in, 2 Mapleson Drive was estimated to have a total project cost \$935,000 less than Hubert Osborne Park Option One as demonstrated in the following table.

This indicates that the likely total project cost of building a facility equivalent to 2 Mapleson Drive on a greenfields site such as Hubert Osborne Park, or future expansion of such a building, would be significantly greater than purchasing an existing facility.

## INITIAL COMPARISON OF PROJECT COSTS - TELC REDEVELOPMENT PROJECT

Cost Factor		SITE		
		Hubert Osborne Park		Mapleson Drive
		Option One	Option Two	
INITIAL COSTS	RATIONALE	Capacity		
		Existing 30 PS	Existing 30 PS	Existing 30 PS + 30 PS + 60 ELC
		New 30 PS + 45 ELC	New 30 PS + 45 ELC	No additional
Construction	Based on Quantity Surveyor costs for HOP1 and 2 (Appendix 3)	2,015,000	2,311,000	-
Car parking	25 spaces @ \$6000 each, (estimate by Infrastructure Operations), related site works.	150,000	150,000	255,000
External landscaping	Entrance ways and general presentation of site	20,000	20,000	-
Land / building purchase	Based on current appraisals / indicative prices	-	-	2,500,000
Enhancements to Hubert Osborne Park	Increase park amenity and safety	45,000	45,000	-
Enhancements to Traralgon Outdoor Pool	Replacement of storage shed, minor site works.	-	20,000	-
Legal Costs (assuming no objections or VCAT)	Based on advice from Legal and Governance	-	-	15,000
Design	Assuming 60% of HOP1 design can be re-used	45,000	95,000	-
Soil Testing	Based on fee proposal from Coffey Geotechnics (already undertaken for Hubert Osborne Park Option One)	8,000	8,000	5,000
Fitout	New equipment for additional places less recycled material	70,000	70,000	35,000
Playground design	Based on fee proposal from Mary Jeavons	30,000	30,000	10,000
Additional childcare playground	Based on Quantity Surveyor costs for HOP1	-	-	95,000
Building escalation costs / contingency	Calculated at 6% increase to December 2009.	142,500	164,940	-
<b>SUB-TOTAL</b>		<b>2,525,500</b>	<b>2,913,940</b>	<b>2,915,000</b>
Additional facilities in Mapleson Drive	Cost of replicating Staff Room, Meeting Room, Kitchen	125,000	95,000	-
<b>SUB-TOTAL</b>		<b>2,650,500</b>	<b>3,008,940</b>	<b>2,915,000</b>
<b>FUTURE COSTS</b>				
Additional 30 place preschool by 2012	Based on HOP1 costing Growth = 10 enrolments per annum #	800,000	800,000	-
Additional 15 Occasional Care places by 2013	Based on HOP1 costing Growth = 4% per annum #	400,000	400,000	-
<b>SUB-TOTAL</b>		<b>1,200,000</b>	<b>1,200,000</b>	<b>-</b>
<b>TOTAL</b>		<b>3,850,500</b>	<b>4,208,940</b>	<b>2,915,000</b>

# Projections based on demand trends 2005/6-2008/9

This can also be demonstrated in an analysis of total project cost per additional childcare/preschool place delivered. The following table outlines these estimates based on both the start-up cost and future growth scenarios.

Site Option	Number of Child Care and Preschool places	Start-Up		Including Future Growth	
		Estimated Total Project Cost	Cost per placement	Estimated Total Project Cost	Cost per placement
<b>2 Mapleson Drive</b>	120	\$2,915,000	\$24,291	\$2,915,000	\$24,291
<b>Hubert Osborne One</b>	75 start up 120 future	\$2,650,500	\$35,233	\$3,850,500	\$32,020
<b>Hubert Osborne Two</b>	75 start up 120 future	\$3,008,900	\$40,119	\$4,208,900	\$35,070

As this analysis shows the estimated start-up project cost of 2 Mapleson Drive is estimated to cost nearly \$11,000 less per placement and nearly \$8,000 less allowing for future growth compared with Hubert Osborne Park Option One.

#### *Traffic Analysis*

An independent traffic analysis was also undertaken in relation to each site which ranked all short-listed sites. 2 Mapleson Drive and both options at Hubert Osborne Park ranked in the top three, with 2 Mapleson Drive the highest ranked site from a traffic management perspective.

The traffic analysis report and these scores clearly indicated that 2 Mapleson Drive provided a higher degree of safety for pedestrians and drivers and better access. However with a range of proposed measures to improve pedestrian safety, Hubert Osborne Park also rated well and was considered suitable (see Appendix 5 of Attachment One).

#### *Due Diligence Process*

In accordance with Council's resolution of 6 October 2008, officers have undertaken a detailed due diligence process in relation to the three short-listed options for the TELC Redevelopment.

The due diligence process had three objectives:

- Provision of independent assessment and verification of the methodology used by Council officers to assess potential sites for the TELC Redevelopment project.

- Provision of specialist advice to assist in establishing comparative values for each short-listed site.
- Detailed review and clarification of the financial and operational implications of each short-listed site for Council.

To achieve these objectives, the following components have been incorporated:

- *Site Assessment Audit Report* prepared by Suters Prior Cheney to provide an independent review of the methodology and rationale underlying officer's assessment of the short-listed sites and the validity of conclusions drawn from these assessments. (Attachment One)
- An initial *Due Diligence Report* prepared by Oakton consultants to assist Council in determining whether procedures for selecting properties for TELC were appropriate. (Appendix 1 to Audit Report)
- Site Selection Matrix (Appendix 2 to Audit Report)
- *Building and Property Valuation* prepared by Matheson Stephen Valuations (MSV) to identify an appropriate baseline for any negotiations regarding purchase of 2 Mapleson Drive. (Appendix 4 to Audit Report)
- *Traffic and parking Assessment* prepared by HDS Australia to identify traffic management, pedestrian safety and vehicular and pedestrian access issues for each site. (Appendix 5 to Audit Report)
- *Operating Cost Assessment* prepared by Latrobe City Council Children's Services Team to identify any operational budget implications for Council arising from each short-listed site. (Appendix 6 to Audit Report)
- Revision of the initial cost estimates presented to Council on 6 October 2008 based on subsequent negotiations with Stable Property Development, specific advice regarding design and construction costs and more detailed assessment of project requirements. (Appendix 7 to Audit Report)
- *Building Inspection Report* prepared by Melbourne PrePurchase to ascertain the quality and soundness of construction of 2 Mapleson Drive and identify any risks from pest infestation. (Attachment Two)
- *Analysis of purchase versus lease options for 2 Mapleson Drive* prepared by Latrobe City Finance Department to identify the most appropriate financing option should Council adopt 2 Mapleson Drive as the preferred site. (Attachment Three)

A summary of the findings of these reports is presented in the following table:

Report	Prepared by	Main Findings	Officers Response
Due Diligence Review	Oakton Consultants	<ul style="list-style-type: none"> <li>• Projected cost to acquire 2 Mapleson Drive lowest price option.</li> <li>• No potential conflicts of interest identified in purchase of 2 Mapleson Drive.</li> <li>• Construction report should be obtained.</li> <li>• 2 Mapleson Drive should be scored against the same criteria used for other shortlisted sites.</li> <li>• Analysis of staffing and funding levels should be completed.</li> </ul>	<ul style="list-style-type: none"> <li>• Report focuses primarily on financial analysis with little attention to qualitative assessment or other criteria used.</li> <li>• Construction Report obtained since preparation of Oakton report. Building found to be very well built, in sound condition and performing well only minor faults.</li> <li>• 2 Mapleson Drive has been assessed and scored against same criteria as other sites since the preparation of the Oakton report.</li> <li>• Staffing model analysis undertaken since preparation of Oakton report. 2 Mapleson Drive would result in an estimated surplus of \$54,361 per annum. The Hubert Osborne Park Options would result in a slight surplus.</li> </ul>
Valuation Report	Matheson Stephen Valuations (MSV)	<ul style="list-style-type: none"> <li>• Property likely to attract a suitable level of interest from investors and owner occupiers.</li> <li>• Valuation estimate at \$2,065,000 based on capitalisation rate of 8.75%, on grounds of uncertainty re ABC Learning Centres.</li> <li>• Advice received from West Gippsland Catchment Management Authority regarding any subdivision requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Report prepared at time of ABC collapse. Stabilisation of child care market in Traralgon has occurred since.</li> <li>• MSV have confirmed that their valuation remains current although over three months have elapsed since it was initially undertaken.</li> <li>• Capitalisation rate of 8.0% (industry standard) would result in a valuation of \$2,250,000.</li> <li>• CMA advice to be considered in subdivision plan.</li> <li>• An updated valuation would be sought if Mapleson Drive is endorsed as the preferred site.</li> </ul>

Report	Prepared by	Main Findings	Officers Response
Operational Cost Assessment	Latrobe City Council Children's Services Team	<ul style="list-style-type: none"> <li>• Assessment of three scenarios:               <ol style="list-style-type: none"> <li>1. stand alone occasional care centre</li> <li>2. occasional care centre with preschool (Hubert Osborne Park model)</li> <li>3. occasional care with preschool, after kinder care, preschool and long day care (Mapleson Drive model).</li> </ol> </li> <li>• Scenarios one and two would result in an estimated surplus to Council operations of \$2,094 and \$3,757 respectively.</li> <li>• Scenario three is estimated to result in a surplus of \$54,361.</li> <li>• On this basis, Mapleson Drive is anticipated to provide a greater financial benefit to Council in terms of operating costs.</li> </ul>	<p>Cost estimates have been conservatively developed based on a lower than average occupancy rates for occasional care and long day care, regulatory standards for child/staff ratios and staffing levels and proportionate increases in operating expenditure derived from historic costs adjusted for increased scale of service.</p>
Building and Pest Inspection and Report	Melbourne Pre-Purchase	<ul style="list-style-type: none"> <li>• The building is approximately 2.7 years in age.</li> <li>• "The building is very well built and structurally in very sound condition and the building is performing very well for its age when considering it against other similar type buildings and similar type of construction founded in similar soils".</li> <li>• Foundation, framework, brickwork and roofing all very sound and showing no signs of movement or wearing.</li> <li>• Any faults are generally considered of a minor nature or aspects requiring explanation and include:               <ul style="list-style-type: none"> <li>○ Occupancy Certificate and related documentation should be displayed near the entrance to the building.</li> <li>○ Essential safety measures log books not available.</li> <li>○ Slight cracking in footpath 4m from front door.</li> <li>○ One retaining wall on eastern side adjacent to street not straight but appears structurally sound.</li> <li>○ Slight repairs or maintenance to gates.</li> <li>○ Changes to path design required to eliminate step to car park.</li> <li>○ Sealing of weatherboard edges where they abut brickwork.</li> <li>○ Weathering of external door from staff room.</li> <li>○ Minor dislodgement of insulation.</li> <li>○ Bird nest in eaves near entrance.</li> <li>○ Two doors are sticking and need adjustment.</li> </ul> </li> <li>• No evidence of termite or other pest infestation was identified.</li> <li>• Annual pest inspections recommended.</li> </ul>	<ul style="list-style-type: none"> <li>• Identified faults are minor in nature and could be addressed as part of purchase contract.</li> </ul>

Report	Prepared by	Main Findings	Officers Response
Financial analysis – option to lease vs purchase of 2 Mapleson Drive.	Latrobe City Council Finance Department	<ul style="list-style-type: none"> <li>• Purchase option for Mapleson Drive would generate \$2.45 million in savings on outgoings over 20 years.</li> <li>• Taking into account proceeds from sale of existing TELC site, purchase option would result in a net cost of \$757,000 over 20 years and 100% equity of Mapleson Drive.</li> </ul>	Analysis demonstrates Latrobe City Council would remain well within State Government prudential borrowing guidelines if Mapleson Drive purchase funded through loan raising.
Site Assessment Audit Report	Suters Prior Cheney	<ul style="list-style-type: none"> <li>• Limitations of initial due diligence report identified.</li> <li>• The site assessment criteria and analysis used by Latrobe City Council provides "... a good balance and assessment methodology".</li> <li>• Impact of global financial issues and collapse of ABC Learning might impact on valuation estimate for Mapleson Drive.</li> <li>• Primary and secondary approaches used for valuation are sound, tried and tested methodologies in accordance with the Australian Property Institute guidelines.</li> <li>• Cost estimates clearly identify 2 Mapleson Drive as the best option.</li> <li>• Design for Hubert Osborne Park Option 2 is significantly compromised from a functional, environmental and architectural perspective.</li> <li>• Opposition to use of open space for Hubert Osborne Park Option One tends to offset better building design.</li> <li>• Both options for Hubert Osborne Park tend to cancel each other out as "... the better siting option is a poor environmental design response, and the better design response is a poor siting option with regard to the loss of parkland".</li> <li>• 2 Mapleson Drive has a number of benefits to Latrobe City Council – sound construction, unrestricted by existing infrastructure and possible room for expansion.</li> <li>• An updated soil report should be obtained prior to any expansion work at 2 Mapleson Drive.</li> <li>• Current cost estimates should be obtained prior to any construction option being undertaken.</li> <li>• "As an overall conclusion, based upon the reports provided to us, and our own independent review of the documentation, we would support the preference for 2 Mapleson Drive, Traralgon as the preferred site for the Traralgon Early Learning Centre Redevelopment".</li> </ul>	<ul style="list-style-type: none"> <li>• MSV have advised that valuation made on 17 June 2008 and confirmed on 24 September 2008 remains valid but an updated valuation has been requested.</li> <li>• The four ABC Learning Centres in Traralgon will continue to operate as part of a restructured ABC learning business.</li> <li>• Most childcare centres in Traralgon are operating at or above minimum viable levels and there are waiting lists in a number of centres for specific age groups or days.</li> </ul>



*Revised Cost Estimates.*

Subsequent to the Council meeting of 6 October 2008, officers met with representatives of Stable Property Development on a number of occasions to discuss potential price and conditions relating to any sale of 2 Mapleson Drive.

As a result of these discussions a formal proposal has been received from Stable Property Development which set a price for 2 Mapleson Drive at \$2,750,000. This price would include construction of a new car park and extension of the childcare play ground to Council's specifications and subdivision of the property to mutually agreed boundaries.

As a result the estimated total project cost for purchase of 2 Mapleson Drive has been revised downwards from \$2,915,000 to \$2,815,000. 2 Mapleson Drive has therefore been assessed as providing a better total cost outcome to Council particularly taking into account future growth needs.

In terms of up front costs, Mapleson Drive will deliver a 60% increase in capacity compared with Hubert Osborne Park for a cost 6.5% above Hubert Osborne Park Option One and 6.4% below Hubert Osborne Park Option Two.

## REVISED COMPARISON OF PROJECT COSTS - TELC REDEVELOPMENT PROJECT

Cost Factor	Rationale	SITE		
		Hubert Osborne Park		Mapleson Drive
		Option 1	Option 2 / TOP	
INITIAL COSTS	Rationale	Capacity		
		Existing 30 PS	Existing 30 PS	Existing 30 PS + 30 PS + 60 ELC
		New 30 PS + 45 ELC	New 30 PS + 45 ELC	No additional
Construction	Based on Quantity Surveyor costs for HOP1 and 2	2,015,000	2,311,000	-
Car parking	Assuming 25 spaces @ \$6000 each, based on estimate by Planning & Development dept and related site works.	150,000	150,000	-
External landscaping	Entrance ways and general presentation of site	20,000	20,000	-
Land / building purchase	Purchase of 2 Mapleson Drive, subdivision, creation of new car park and extension of playground.	-	-	2,750,000
Enhancements to Hubert Osborne Park	Increase park amenity and safety	45,000	45,000	-
Enhancements to Traralgon Outdoor Pool	Replacement of storage shed, minor site works.	-	20,000	-
Legal Costs (assuming no objections or VCAT)	Based on advice from Legal and Governance	-	-	15,000
Design	Assuming 60% elements of HOP1 design can be re-used	45,000	95,000	-
Soil Testing	Based on fee proposal from Coffey Geotechnics (already undertaken for Hubert Osborne Park Option One)	8,000	8,000	5,000
Fitout	New equipment for additional places less recycled material	70,000	70,000	35,000
Playground design	Based on fee proposals from Mary Jeavons and Stutterheim Anderson	30,000	30,000	10,000
Building escalation costs / contingency	Calculated at 6% increase to December 2009.	142,500	164,940	-
<b>SUB-TOTAL</b>		<b>2,525,500</b>	<b>2,913,940</b>	<b>2,815,000</b>
Additional facilities in Mapleson Drive	Cost of including comparable facilities including: Staff Room, Meeting Room, Kitchen	125,000	95,000	-
<b>SUB-TOTAL</b>		<b>2,650,500</b>	<b>3,008,940</b>	<b>2,815,000</b>
<b>FUTURE COSTS</b>				
Additional 30 place preschool by 2012	Based on HOP1 costing Growth = 10 enrolments per annum #	800,000	800,000	-
Additional 15 Occasional Care places by 2013	Based on HOP1 costing Growth = 4% per annum #	400,000	400,000	-
<b>SUB-TOTAL</b>		<b>1,200,000</b>	<b>1,200,000</b>	<b>-</b>
<b>TOTAL</b>		<b>3,850,500</b>	<b>4,208,940</b>	<b>2,815,000</b>

# Projections based on demand trends 2005/6-2008/9

## 5. FINANCIAL AND RESOURCES IMPLICATIONS

The financial analysis undertaken regarding site options for the TELC Redevelopment project clearly identifies 2 Mapleson Drive as providing the best value for money to Council as indicated in the following table:

<b>Site Option</b>	<b>Estimated Initial Cost</b>	<b>Estimated Future / Total Project Cost</b>
2 Mapleson Drive	2,815,000	2,815,000
Hubert Osborne Park Option One	2,650,500	3,850,500
Hubert Osborne Park Option Two	3,008,940	4,208,940

The total project cost for Mapleson Drive option is estimated to be \$2,815,000 based on a formal offer from the vendor of \$2,750,000 for the building, land, construction of car park, extension to playground and subdivision of land. The purchase of the Mapleson Drive facility also provides for future growth of occasional care or preschool services given the capacity of the facility.

The vendor's offer in relation to 2 Mapleson Drive places an implied value for the building and land at approximately \$2,350,000, after allowing for additional works and subdivision, which is higher than the valuation provided in June 2008 by MSV of \$2,065,000. It should be noted that the MSV valuation was based on a capitalisation rate of 8.75% compared with the industry standard for childcare facilities of 8.0%. If the industry standard is applied, a valuation of approximately \$2,250,000 is likely to apply, as borne out by comparisons to other centres made by MSV. In addition, the MSV valuation was undertaken at a time when the future of ABC Learning Centres in Traralgon was unclear. The three ABC centres in Traralgon have subsequently been assured of ongoing operation and as a result the childcare centre "market" has stabilised considerably since the initial valuation. An updated valuation has been requested from MSV.

Whilst Hubert Osborne Park Option One has a lower initial cost of \$2,650,500 this estimate is subject to change given possible escalation of design, building and related costs arising from finalisation of design. In addition, any future expansion or growth to a scale equivalent to 2 Mapleson Drive would require additional capital investment by Council of at least \$1.2 million in four years.

The initial cost for Hubert Osborne Park Option 2 at \$3,008,940 is higher than for Mapleson Drive and would also require additional capital investment of at least \$1.2 million by Council for future growth or expansion in four years.

An assessment has been made of staffing models for each option. Whilst each option is likely to result in an operating surplus (not including financing costs and corporate overheads), the model proposed for Mapleson Drive is anticipated to provide a significantly higher surplus of approximately \$54,000 each year as set out below:

Operational Model#	Related Site Option	Operational Surplus
45 Place Occasional Care Centre (OCC)	Stand-alone TELC	\$2,094
45 OCC plus 27 place preschool	Hubert Osborne Park options 1 and 2	\$3,757
45 place OCC + 30 place Long Day Care + 27 place Preschool + 20 place Pre kinder + 30 place After Kinder Care (AKC)	Mapleson Drive	\$54,361

# Assumed 62% utilisation for Occasional Care, 50% for after kinder care and 75% for long day care, standard fees for preschool operating at 95% capacity.

An assessment has also been made of the relative merits of purchase versus lease of Mapleson Drive. This analysis demonstrates that the financing cost of purchasing this site based on a conservative estimate of total project cost of \$3,000,000 (above final estimate) would cost approximately \$2.45 million less than a lease option over a 20 year period and \$130,000 less over a 10 year period. In addition the estimated equity value is \$1.8M after 20 years and \$2.4M after 10 years.

#### Lease Option 10 Years

Details	Estimated Cost	Other Info
10 years lease	\$4.127 million	Based on a 12% return plus a CPI adjustment of 3% pa
Less estimated sale proceeds of Franklin Street, plus return on that investment over 10 year	(\$1.97 million)	Refer to information below
<b>Net Cost over 10 Years</b>	<b>\$2.157 million</b>	
<b>Estimated Equity after 10 years = Nil</b>		

**Purchase Option – 10 Years**

<b>Details</b>	<b>Estimated Cost</b>	<b>Other Info</b>
10 years	\$3.997 million	Based on a 6% interest, with monthly principal and interest repayments
Less estimated sale proceeds of Franklin Street, plus return on that investment over 10 year	(\$1.97 million)	Refer to information below
<b>Net Cost over 10 Years</b>	<b>\$2.027 million</b>	
<b>Estimated Equity (Value of Asset) after 10 years = \$2.4 million (After allowing 2% pa dep'n as per accounting standard, but does not allow for any revaluation adjustment to value)</b>		

**Lease Option – 20 Years**

<b>Details</b>	<b>Estimated Cost</b>	<b>Other Info</b>
20 years lease	\$6.449 million	Based on an 8% return plus a CPI adjustment of 3% pa
Less estimated sale proceeds of Franklin Street, plus return on that investment over 20 year	(\$3.240 million)	Refer to information below
<b>Net Cost over 20 Years</b>	<b>\$3.209 million</b>	
<b>Estimated Equity after 20 years = Nil</b>		

**Purchase Option – 10 year loan, with equity at 20 years**

<b>Details</b>	<b>Estimated Cost</b>	<b>Other Info</b>
10 years	\$3.997 million	Based on a 6% interest, with monthly principal and interest repayments
Less estimated sale proceeds of Franklin Street, plus return on that investment over 20 year	(\$3.240 million)	Refer to information below
<b>Net Cost over 20 Years</b>	<b>\$757 K</b>	
<b>Estimated Equity (Value of Asset) after 20 years = \$1.8 million (After allowing 2% pa dep'n as per accounting standard, but does not allow for any revaluation adjustment to value)</b>		

## 6. INTERNAL/EXTERNAL CONSULTATION

### *Engagement Method Used:*

An extensive community consultation process was undertaken between September 2007 and September 2008 to identify suitable sites for consideration by Council. The financial analysis, initial investigation and Due Diligence reports have not involved any direct community consultation.

### *Details of Community Consultation / Results of Engagement:*

The TELC Redevelopment Project initially considered over 30 potential sites and involved an extensive community consultation process in relation to eight shortlisted options and three preferred sites. As a result over 120 written submissions were received and over 40 people attended community information sessions. In addition several meetings were held with key community stakeholders. This project has also received considerable public and media attention over the past eighteen months.

## 7. OPTIONS

Based on the site selection and due diligence processes detailed above, Council has a number of options available to it in relation to the TELC Redevelopment Project:

1. Adopt 2 Mapleson Drive Traralgon as the preferred option for a new Traralgon Early Learning Centre and a Preschool Centre.
2. Adopt another site as the preferred option for a new Traralgon Early Learning Centre and a Preschool Centre.
3. Seek further information on sites currently under consideration or alternative sites.
4. Defer a decision on the TELC redevelopment to a future date.

## 8. CONCLUSION

A comprehensive due diligence and site selection approach has been conducted to assist Council determine a preferred site for the TELC Redevelopment Project.

This process has included:

- An initial *Due Diligence Report* prepared by Oakton consultants
- *Building and Property Valuation* prepared by Matheson Stephen Valuations (Appendices)
- *Building Inspection Report* prepared by Melbourne PrePurchase
- *Operating Cost Assessment* prepared by Latrobe City Council Children's Services Team
- *Analysis of purchase versus lease options for Mapleson Drive* prepared by Latrobe City Finance Department
- Revision of the initial cost estimates presented to Council on 6 October 2008 based on subsequent negotiations with Stable Property Development, specific advice regarding design and construction costs and more detailed assessment of project requirements.

The major findings of the due diligence process are:

- The site selection process confirms 2 Mapleson Drive as the preferred site based on overall costs, allowance for future growth, building design, capacity and features, availability, operational efficiency and minimisation of the loss of open space.
- Limitations relating to both options for Hubert Osborne Park, including potential loss of public open space, design constraints, potential public opposition, reduced cost benefits and limited capacity for future growth outweigh other advantages such as proximity to the Central Activity District, and connections to other child and family services.
- No legal or conflict of interest impediments to the purchase of 2 Mapleson Drive were identified.
- A formal valuation of 2 Mapleson Drive and reports by a qualified Quantity Surveyor in relation to the Hubert Osborne Park options have provided clear and well-researched basis for project cost estimation.
- Building/Construction and Soil Analysis Reports have confirmed the structural integrity and construction quality of 2 Mapleson Drive to be a high standard with only minor faults.
- A range of cost comparison methodologies have demonstrated that 2 Mapleson Drive represents best value for Council compared with either Hubert Osborne Park option. These methodologies include analyses of initial and future project costs, cost per placement, replacement cost and net staffing and operational costs to Council.

- An assessment of the relative cost of leasing or purchasing 2 Mapleson Drive has demonstrated that purchasing this facility would cost approximately \$2.45 million less over a 20 year period. In addition analysis of projected Council borrowing show that Council would be comfortably within the recommended prudential guidelines recommended by state Treasury if a decision was made to borrow the purchase price of 2 Mapleson Drive.

An independent audit of the site selection and due diligence process has been undertaken by Suters Prior Cheney. This audit has confirmed the appropriateness of methodologies used to determine a preferred site and the validity of the findings made and has supported a recommendation of 2 Mapleson Drive as the preferred site on the basis of cost, design, capacity and best value for Council.

An extensive community consultation process has also been undertaken to better inform Council's consideration of potential sites for the TELC Redevelopment Project. A large majority of submissions from the community have opposed locating a new facility at Hubert Osborne Park on the grounds that the value of public open space outweighs any other advantage of that site, and that other more suitable sites exist. Other responses have placed a higher value on the provision of childcare.

An assessment of the three short-listed options has identified that the site at 2 Mapleson Drive is the most cost-effective option and has a number of other advantages over both options for Hubert Osborne Park including availability, capacity to accommodate growth, future capital savings, operational flexibility and elimination of the need to use public open space. In addition it is the only site which has not attracted any opposition from the community.

The Hubert Osborne Park Option Two site has a number of significant design constraints which would compromise quality service provision and the amenity of children and staff using the facility.

The Hubert Osborne Park Option One has some design and location advantages but these are offset by the need to utilise existing public open space.

All site options would require additional expenditure above the current budget to address traffic management, car parking and landscaping requirements. Escalation of construction costs is also likely to have an impact on the Hubert Osborne Park options.



The loss of open space is an issue for a section of the community. A review of available public open space indicates that Council's guidelines would continue to be met if the TELC redevelopment was built at Hubert Osborne Park under the initial proposal. However 2 Mapleson Drive would avoid the need to utilise further public open space.

While Hubert Osborne Park Option 1 has been assessed as best meeting Council's initial assessment criteria, 2 Mapleson Drive option also scored highly against Council's assessment criteria and provides additional value for money based on overall costs, allowance for future growth, building design, capacity and features, and minimisation of the loss of open space.

On balance 2 Mapleson Drive has been assessed as the most suitable site for the Traralgon Early Learning Centre and an additional preschool.

There is strong and ongoing demand for preschool and occasional care places. Therefore resolution of the preferred location for the TELC Redevelopment Project will assist in meeting this need in Traralgon.

## **9. RECOMMENDATION**

1. That Council adopts 2 Mapleson Drive, Traralgon, located as part of Crown Allotment 83, Volume 10022, Folio 385 as the preferred site for the new Traralgon Early Learning Centre and additional Preschool capacity.
2. That Council authorises the Chief Executive Officer to enter into negotiations with the owner of 2 Mapleson Drive, Traralgon, located as part of Crown Allotment 83, Volume 10022, Folio 385 to purchase the property and to report back to Council with details of the proposed Contract of Sale for Council approval.
3. That Council makes provision in the 2009/10 Capital Budget for the cost of purchasing 2 Mapleson Drive Traralgon, for the purpose of providing a new Traralgon Early Learning Centre and additional Preschool capacity.
4. That a range of communication activities be undertaken with various target sectors, including media, user groups and community groups upon Council approving a final Contract of Sale regarding the Traralgon Early Learning Centre.

5. That a media release be issued immediately advising that 2 Mapleson Drive, Traralgon has been adopted as the preferred site for a new Traralgon Early Learning Centre.

**Moved:** Cr Fitzgerald

**Seconded:** Cr Kam

1. That Council adopts 2 Mapleson Drive, Traralgon, located as part of Crown Allotment 83, Volume 10022, Folio 385 as the preferred site for the new Traralgon Early Learning Centre and additional Preschool capacity.
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5. That a media release be issued immediately advising that 2 Mapleson Drive, Traralgon has been adopted as the preferred site for a new Traralgon Early Learning Centre, subject to satisfactory negotiation of purchase price.

**CARRIED UNANIMOUSLY**

**INDEX OF ATTACHMENTS**

Attachment One	Site Assessment Report, Suturs Prior Cheney
· Appendix One	Due Diligence Report, Oakton Pty Ltd
· Appendix Two	Site Selection Matrix
· Appendix Three	Cost Estimates of the Hubert Osborne Park Development, Rodney Vapp & Associates
· Appendix Four	Building and Property Valuation, Matheson Stephen Valuations
· Appendix Five	Traffic and Parking Assessment, HDS Australia
· Appendix Six	Operating Cost Assessment, Latrobe City Council
· Appendix Seven	Revision of initial cost estimates
Attachment Two	Building Inspection Report, Melbourne Pre-Purchase
Attachment Three	Analysis of Purchase versus Lease Options for 2 Mapleson Drive, Latrobe City Council
Attachment Four	Overhead site plan 2 Mapleson Drive
Attachment Five	Overhead site plan – Hubert Osborne Park Option One
Attachment Six	Overhead site plan – Hubert Osborne Park Option Two

**Moved:** Cr Middlemiss

**Seconded:** Cr Loughheed

**That the Meeting be re-opened to the public.**

**CARRIED UNANIMOUSLY**

**THE MEETING RE-OPENED TO THE PUBLIC AT 8.16 PM.**

**THERE BEING NO FURTHER BUSINESS THE MEETING WAS DECLARED  
CLOSED AT 8.17 PM.**

**I CERTIFY THAT THESE MINUTES HAVE BEEN CONFIRMED.**

**MAYOR:** \_\_\_\_\_

**DATE:** \_\_\_\_\_