



# **LATROBE CITY COUNCIL**

**AGENDA FOR THE  
ORDINARY COUNCIL**

**TO BE HELD IN NAMBUR WARIGA MEETING ROOM  
CORPORATE HEADQUARTERS, MORWELL  
AT 6.00 PM ON  
06 JULY 2015**

**CM465**



## *Latrobe Community* **Vision**

*"In 2026 the Latrobe Valley is a liveable and sustainable region with collaborative and inclusive community leadership."*

## *Council* **Mission**

Latrobe City continues to implement the values, corporate directions and partnerships necessary to bring reality to the Latrobe's 2026 community vision for a liveable and sustainable region with collaborative and inclusive community leadership.

## *Council* **Values**

Latrobe City Council's values describe how it is committed to achieving the Latrobe 2026 community vision through:

- Providing responsive, sustainable and community focused services;
- Planning strategically and acting responsibly;
- Accountability, transparency and honesty;
- Listening to and working with the community; and
- Respect, fairness and equity.

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**1. OPENING PRAYER**

*Our Father who art in Heaven, hallowed be thy name. Thy kingdom come, thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us, and lead us not into temptation but deliver us from evil. For the kingdom, the power, and the glory are yours now and forever. Amen.*

**2. ACKNOWLEDGEMENT OF THE TRADITIONAL OWNERS OF THE LAND**

*We respectfully acknowledge that we are meeting here today on the traditional land of the Braiakaulung people of the Gunnaikurnai Clan and pay our respect to their past and present Elders.*

**3. APOLOGIES AND LEAVE OF ABSENCE****4. DECLARATION OF CONFLICT OF INTEREST****5. ADOPTION OF MINUTES****RECOMMENDATION**

**That Council confirm the minutes of the Ordinary Council Meeting meeting held on 11 June 2015 and Special Council Meeting held on 29 June 2015.**

**6. PUBLIC QUESTION TIME**

*Members of the public who have registered before 12.00 Noon on the day of the Council meeting are invited to speak to an item on the agenda or to ask a question of the Council.*

**ORDINARY COUNCIL MEETING AGENDA  
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**7. ITEMS HELD OVER FOR REPORT AND/OR  
CONSIDERATION/QUESTIONS ON NOTICE**

| <b>Council Meeting Date</b>          | <b>Item</b>   | <b>Resolution</b>  | <b>Status Update</b>   | <b>Responsible Office</b>     |
|--------------------------------------|---|--|--|-------------------------------|
| <b>Office of the Chief Executive</b> |   |  |  |                               |
| 05 December 2011                     | Investigation into Mechanisms Restricting the sale of Hubert Osborne Park Traralgon | That a draft policy be prepared relating to Hubert Osborne Park and be presented to Council for consideration. | <p>Briefing occurred on 27 April 2015 prior to a report coming to Council</p> <p>Currently investigating the further options for restrictions on the sale of Hubert Osborne Park as raised by Cr Kam at the previous Councillor Briefing.</p> <p>A further briefing is scheduled to occur July 2015.</p> | Office of the Chief Executive |

**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

| Council Meeting Date | Item  | Resolution  | Status Update  | Responsible Office            |
|----------------------|---|---|--|-------------------------------|
| 19 December 2011     | Traralgon Greyhound Racing Club – Proposed Development and Request for Alterations to Lease | That a further report be presented to Council following negotiations with the Latrobe Valley Racing Club, Robert Lont and the Traralgon Greyhound Club seeking Council approval to the new lease arrangements at Glenview Park. | <p>Preparation underway to commence negotiations for a new lease. A further report to be presented to Council.</p> <p>Discussion has progressed with the leasing of the land to the Traralgon Greyhound Racing Club.</p> <p>A rental valuation is being obtained from independent valuer.</p> <p>During March Council officers met with representatives from the Traralgon Greyhound Racing Club and the Latrobe Valley Racing Club to discuss new lease arrangements.</p> <p>A rental valuation has been obtained from independent valuer.</p> <p>Preparing draft lease special conditions to be considered at a future briefing.</p> <p>A report will be presented to Council in July / August 2015.</p> | Office of the Chief Executive |

**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

| <b>Council Meeting Date</b> | <b>Item</b>  | <b>Resolution</b>   | <b>Status Update</b>  | <b>Responsible Office</b>     |
|-----------------------------|--|---|---|-------------------------------|
| 13 October 2014             | Draft Community Engagement Strategy And Action Plan 2015-2019 - Community Consultation | <ol style="list-style-type: none"> <li>1. That Council approves the draft Community Engagement Strategy and Action Plan 2015-2019 be released for community consultation for four weeks from Monday, 20 October 2014 to Friday, 14 November 2014.</li> <li>2. That following the community consultation process a further report on the Community Engagement Strategy and Action Plan 2015-2019 be presented to Council for consideration.</li> </ol> | <p>The draft Strategy is being finalised following the community engagement period.</p> <p>A Briefing will be provided to Council in July 2015.</p> | Office of the Chief Executive |



**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

| Council Meeting Date | Item                            | Resolution  | Status Update                                  | Responsible Office            |
|----------------------|---------------------------------|---|--|-------------------------------|
| 24 November 2014     | Review Of Council Meeting Cycle | <p>That Council:</p> <ol style="list-style-type: none"> <li>1. Maintain a three-weekly Council Meeting cycle.</li> <li>2. Begin Ordinary Council Meetings at 6:00pm.</li> <li>3. Distribute the final Ordinary Council Meeting Agenda to the public, six (6) days prior, to the Ordinary Council Meeting.</li> <li>4. Review the meeting cycle after an eight-month period and a further report be presented to Council in July 2015 with a review of the changes.</li> </ol> | Report to be prepared to Council in July 2015. | Office of the Chief Executive |

**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

| <b>Council Meeting Date</b>                   | <b>Item</b>  | <b>Resolution</b>  | <b>Status Update</b>  | <b>Responsible Office</b>            |
|---|--|--|---|--------------------------------------|
| <b>Planning &amp; Economic Sustainability</b> |  |  |   |                                      |
| 19 September 2011                             | Traralgon Activity Centre Plan Key Directions Report (cont'd on next page) | <p>That having considered all submissions received in respect to the Stage 2 Key Directions Report September 2011, Council resolves the following:</p> <ol style="list-style-type: none"> <li>1. To defer the endorsement of the Stage 2 Key Directions Report September 2011 until:               <ol style="list-style-type: none"> <li>a) Council has been presented with the Traralgon Growth Area Review</li> <li>b) Council has received information on the results of the Latrobe Valley Bus Review</li> </ol> </li> <li>2. That Council writes to the State Government asking them what their commitment to Latrobe City in respect to providing an efficient public transport system and that the response be tabled at a Council Meeting.</li> </ol> | <p>The CEO wrote to the State Government regarding transport issues on 10 October 2011 and didn't receive a response. Council staff are pursuing a response.</p> <p>The revised Traralgon Activity Centre Plan (TACP) Communication Strategy was adopted by Council on 6 February 2012 and the Traralgon Car Parking Precinct Plan Working Party was endorsed by Council on 20 February 2012.</p> <p>The Traralgon Parking Strategy was completed in October 2013. Rather than proceed with a car parking precinct plan, Council resolved to proceed with car parking overlay Planning Scheme Amendment on 9 February 2015.</p> | Planning and Economic Sustainability |

**ORDINARY COUNCIL MEETING AGENDA  
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| <b>Council Meeting Date</b> | <b>Item</b>  | <b>Resolution</b>  | <b>Status Update</b>   | <b>Responsible Office</b>            |
|-----------------------------|--|--|--|--------------------------------------|
| 19 September 2011           | Traralgon Activity Centre Plan Key Directions Report (continued) | <p>3. That Council proceeds with the Parking Precinct Plan and investigate integrated public parking solutions.</p> <p>4. That the Communication Strategy be amended to take into consideration that the November/December timelines are inappropriate to concerned stakeholders and that the revised Communication Strategy be presented to Council for approval.</p> | A review of TACP project was undertaken by officers following the outcome of the Latrobe Valley Bus Review and adoption of Traralgon Growth Areas Review. The TACP discussion paper was presented at a Councillor Briefing Session on 11 May 2015. The delivery of the TACP project is to be considered as part of the 16/17 budget and business planning process. | Planning and Economic Sustainability |

**ORDINARY COUNCIL MEETING AGENDA  
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| <b>Council Meeting Date</b> | <b>Item</b>  | <b>Resolution</b>   | <b>Status Update</b>   | <b>Responsible Office</b>          |
|-----------------------------|--|---|--|------------------------------------|
| 19 September 2011           | Traralgon Activity Centre Plan Key Directions Report (continued)                     | 5. That in recognition of community concern regarding car parking in Traralgon the Chief Executive Officer establish a Traralgon Parking Precinct Plan Working Party comprising key stakeholders and to be chaired by the Dunbar Ward Councillor. Activities of the Traralgon Parking Precinct Plan Working Party to be informed by the Communication Strategy for the Traralgon Activity Centre Plan Stage 2 Final Reports (Attachment 3). |  |                                    |
| 06 May 2013                 | Latrobe City International Relations Advisory Committee - Amended Terms of Reference | That the item be deferred pending further discussion by Councillors relating to the Terms of Reference.   | Item on hold pending adoption of a Terms of Reference for Advisory Committees. A further report will be presented to Council once the Terms of Reference is adopted. | Planning & Economic Sustainability |

**ORDINARY COUNCIL MEETING AGENDA  
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| <b>Council Meeting Date</b>                      | <b>Item</b>                         | <b>Resolution</b>   | <b>Status Update</b>  | <b>Responsible Office</b>              |
|--|-------------------------------------|---|---|--|
| <b>Community Infrastructure &amp; Recreation</b> |                                     |   |   |  |
| 06 November 2013                                 | Latrobe Regional Motorsport Complex | <ol style="list-style-type: none"> <li>1. That Council requests the members of the Latrobe Regional Motorsports Complex Advisory Committee to investigate potential sites for the motorsports complex and to advise Council of any sites identified so that further investigation can be undertaken by Council officers.</li> <li>2. That Council officers meet with Energy Australia to discuss other possible sites for a motorsports complex on their land.</li> <li>3. That a further report be presented to Council at such time that site options have been investigated</li> </ol> | <p>Initial advice from Energy Australia and HVP is that land is not currently available for this use. Officers continuing to work with both parties to identify potential sites for further investigation.</p> <p>An on-site meeting with Cr Middlemiss occurred in December 2014 to investigate further site options.</p> <p>Further evaluation will be undertaken of sites identified during on-site meeting.</p> <p>Further report to be presented to Council in 2015.</p> | Community, Infrastructure & Recreation |

**ORDINARY COUNCIL MEETING AGENDA  
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| Council Meeting Date         | Item  | Resolution  | Status Update   | Responsible Office    |
|------------------------------|---|---|---|-----------------------|
| <b>Community Liveability</b> |   |   |   |                       |
| 18 February 2013             | Affordable Housing Project – Our future our place | <ol style="list-style-type: none"> <li>1. That Council proceeds to publically call for Expressions of Interest as a mechanism to assess the viability and interest in developing an affordable housing project on land known as the Kingsford Reserve in Moe.</li> <br/> <li>2. That a further report be presented to Council for consideration on the outcome of the Expression of Interest process for the development of an affordable housing project on land known as the Kingsford Reserve in Moe.</li> </ol> | This project is currently under review, with a Council report to be presented to Council in 2015. | Community Liveability |

**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

| <b>Council Meeting Date</b> | <b>Item</b>                 | <b>Resolution</b>  | <b>Status Update</b>                                       | <b>Responsible Office</b> |
|-----------------------------|-----------------------------|--|--|---------------------------|
| 09 February 2015            | Family Day Care Feasibility | <p>That Council maintain the Family Day Care program at the current level.</p> <p>That the Family Day Care Coordination team is adjusted as required and directly in relation to any reduction of Educators and/or Service Users.</p> <p>That a further review of the program occur within the first six months of the 2015/16 financial year, with a further report being presented to Council for endorsement at the Ordinary Council Meeting on 07 December 2015.</p> <p>That a report be developed demonstrating cost and funding options to grow other early education and care services as a transition plan from FDC into the future.</p> | Further report to be provided to Council in December 2015. | Community Liveability     |
| <b>Corporate Services</b>   |                             |  |  |                           |

# NOTICES OF MOTION



**8. NOTICES OF MOTION**

**8.1 2015/11 - Marriage Equality**

**Cr Kellie O'Callaghan**

I, Cr O'Callaghan, hereby give notice of my intention to move the following motion at the Council Meeting to be held on Monday, 06 July 2015:

**That Council publicly supports marriage equality, irrespective of sex or gender identity.**

**That Council writes to all local state and federal Members of Parliament, advising them of that support.**

**Attachments**  
Nil

**ITEMS REFERRED BY  
THE COUNCIL TO THIS  
MEETING FOR  
CONSIDERATION**

**9. ITEMS REFERRED BY THE COUNCIL TO THIS MEETING FOR  
CONSIDERATION**

Nil reports

# CORRESPONDENCE

**10. CORRESPONDENCE**

Nil reports

# PRESENTATION OF PETITIONS

**11. PRESENTATION OF PETITIONS**

Nil reports

# OFFICE OF THE CHIEF EXECUTIVE



**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

**12. OFFICE OF THE CHIEF EXECUTIVE**

**12.1 Assembly of Councillors**

**Executive Manager**

**Office of the Chief Executive**

**For Decision**

**PURPOSE**

The purpose of this report is to present to Council, the Assembly of Councillors forms submitted since the Ordinary Council Meeting held 11 June 2015.

**DECLARATION OF INTEREST**

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

**OFFICER COMMENTS**

The following Assembly of Councillors took place:

| <b>Date:</b>     | <b>Assembly Details /<br/>Matters Discussed:</b>                           | <b>In Attendance:</b>   | <b>Conflicts of<br/>Interest<br/>Declared:</b> |
|------------------|--|---|--|
| 08 April<br>2015 | Braiakaulung Advisory<br>Committee   | <b>Councillors:</b> Cr<br>O'Callaghan<br><br><b>Officers:</b> Steve Tong,<br>Chelsea Stewart, Sharon<br>Kingaby, Ronald<br>Edwards            | Nil  |
| 02 June<br>2015  | Municipal Emergency<br>Management Planning<br>Committee (MEMPC)<br>Meeting | <b>Councillors:</b> Cr Sharon<br>Gibson<br><br><b>Officers:</b> Lance King,<br>Rebecca Johnson, Henry<br>Morrison, Deb Brown,<br>Helen Taylor | Nil  |
| 10 June<br>2015  | Morwell Town Common<br>Development Plan<br>Project Control Group           | <b>Councillors:</b> Cr<br>Middlemiss<br><br><b>Officers:</b> Simon Clark  | Nil  |

**RECOMMENDATION**

**That Council receives and notes this report of the Assembly of Councillors held from 11 June 2015.**

**Attachments**

1. Braiakaulung Advisory Committee 08 April 2015
2. MEMPC Meeting 02 June 2015
3. Morwell Town Common Development Plan Project 10 June 2015

# **12.1**

## **Assembly of Councillors**

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>Braiakaulung Advisory Committee 08 April 2015 .....</b>                 | <b>29</b> |
| <b>2</b> | <b>MEMPC Meeting 02 June 2015.....</b>                                     | <b>33</b> |
| <b>3</b> | <b>Morwell Town Common Development Plan Project 10<br/>June 2015 .....</b> | <b>35</b> |



## Assembly of Councillors Record

This form **MUST** be completed by the attending Council officer and returned **IMMEDIATELY** to the Council Operations Team for filing. {see over for Explanation/Guide Notes}.

|                           |   |
|---------------------------|---|
| <b>Assembly details:</b>  | Braiakaulung Advisory Committee   |
| <b>Date:</b>              | 8 April 2015  |
| <b>Time:</b>              | 10.30 am to 12.00 pm  |
| <b>Assembly Location:</b> | NAMBUR WARIGA ROOM<br>LATROBE CITY COUNCIL CORPORATE HEADQUARTERS<br>COMMERCIAL ROAD, MORWELL |

### IN ATTENDANCE

|   |  |   |   |
|---|--|---|---|
| <b>Councillors:</b>   | <input type="checkbox"/> Cr Christine Sindt  | <input type="checkbox"/> Cr Graeme Middlemiss             | <input type="checkbox"/> Cr Peter Gibbons |
|   | <input type="checkbox"/> Cr Dale Harriman  | <input checked="" type="checkbox"/> Cr Kellie O'Callaghan | <input type="checkbox"/> Cr Sandy Kam     |
|   | <input type="checkbox"/> Cr Darrell White  | <input type="checkbox"/> Cr Michael Rossiter              | <input type="checkbox"/> Cr Sharon Gibson |
| <b>Officer/s:</b>   | Steve Tong, Chelsea Stewart, Sharon Kingaby, Ronald Edwards  |   |   |
| <b>Matter/s and main topic/s discussed:</b><br><i>Provide dot points only, not the minutes of the meeting</i> | <b>3.1 Reconciliation Week Flag Raising event</b><br><b>3.2 Elders Lunch</b><br><b>3.3 Reconciliation Action Plan</b><br><b>3.4 Constitutional Recognition of Aboriginal People</b><br><b>3.5 Waterhole Creek Project</b><br><b>3.6 Braiakaulung Advisory Committee Poster</b><br><b>3.7 Acknowledgement of Traditional Owners on Latrobe City Council website.</b><br><b>3.8 Deadly X Factor</b><br><b>3.9 Deadly Migais Soap Workshop</b><br><b>3.10 Winter Night Market</b><br><b>Members Reports</b> |   |   |
| <b>Confidential/ Not confidential</b>   | <i>Are the matters considered confidential under the Local Government Act?</i><br><input type="checkbox"/> Yes <input type="checkbox"/> No   |   |   |

### CONFLICT OF INTEREST DISCLOSURES: (refer to page 2)

|                     |   |  |   |
|---------------------|---|--|---|
| <b>Councillors:</b> | <input type="checkbox"/> Cr Christine Sindt | <input type="checkbox"/> Cr Graeme Middlemiss  | <input type="checkbox"/> Cr Peter Gibbons |
|                     | <input type="checkbox"/> Cr Dale Harriman   | <input type="checkbox"/> Cr Kellie O'Callaghan | <input type="checkbox"/> Cr Sandy Kam     |
|                     | <input type="checkbox"/> Cr Darrell White   | <input type="checkbox"/> Cr Michael Rossiter   | <input type="checkbox"/> Cr Sharon Gibson |
| <b>Officer/s:</b>   |   |  |   |



|  |  |
|--|--|
| <p><b>Times that<br/>Officers /<br/>Councillors<br/>left/returned to<br/>the room:</b></p> |  |
|--|--|



Completed by: Chelsea Stewart

**Assembly of Councillors Record Explanation / Guide Notes**  
Required pursuant to the Local Government Act 1989 as amended.

**1. Section 80A requirements (re: Written Record to be made by Council staff member):**

Amendments to the Local Government Act 1989 (Section 80A), operative from 2 December 2008 now stipulate:

"At an assembly of Councillors, the Chief Executive Officer must ensure that a written record is kept of:

- the names of all Councillors and members of Council staff attending;
- the matters considered;
- any conflict of interest disclosures made by a Councillor attending under subsection (3);
- whether a Councillor who has disclosed a conflict of interest as required by subsection (3) leaves the assembly."

The above required information is:

- to be reported to an Ordinary meeting of the Council; and
- incorporated in the minutes of that Ordinary meeting.

**2. Section 76AA definition:**

"**Assembly of Councillors** (however titled, e.g. meeting / inspection / consultation etc) is a meeting of an advisory committee of the Council, if at least one Councillor is present, or a planned or scheduled meeting of at least half of the Councillors and one member of staff which considers matters that are intended or likely to be;

- The subject of a decision of the Council; or
- Subject to the exercise of a function, duty or power of the Council that has been delegated to a person or committee.

**Brief Explanation:**

Some examples of an *Assembly of Councillors* will include:

- Councillor Briefings;
- on site inspections, generally meetings re: any matters;
- meetings with residents, developers, other clients of Council, consultations;
- meetings with local organisations, Government Departments, statutory authorities (e.g. VicRoads, etc);

providing **at least 5 Councillors and 1 Council staff member are present** and the matter/s considered are intended or likely to be subject of a future decision by the Council **OR** an officer decision under delegated authority.

*Effectively it is probable, that any meeting of at least 5 Councillors and 1 Council staff member will come under the new requirements as the assembly will in most cases be considering a matter which will come before Council or be the subject of a delegated officer's decision at some later time. If you require further clarification, please call the Manager Council Operations – Legal Counsel.*

**Please note:** an Advisory Committee meeting requires only one Councillor to be in attendance. An advisory committee is defined as any committee established by the Council, other than a special committee, that provides advice to:

- the Council; or
- a special committee; or
- a member of Council staff who has been delegated a power, duty or function of the Council under section 98.

**3. Section 80A and 80B requirements (re: Conflict of Interest):**

Councillors and officers attending an Assembly of Councillors must disclose any conflict of interest.

**Section 80A(3)**

"If a Councillor attending an Assembly of Councillors knows, or would reasonably be expected to know, that a matter being considered by the assembly is a matter that, were the matter to be considered and decided by Council, the Councillor would have to disclose a conflict of interest under section 79, the Councillor must disclose either:

- (a) immediately before the matter in relation to the conflict is considered; or
- (b) if the Councillor realises that he/she has a conflict of interest after consideration of the matter has begun, as soon as the Councillor becomes aware of the conflict of interest, leave the assembly whilst the matter is being considered by the assembly."

**Section 80B**

A member of Council staff who has a conflict of interest (direct or indirect) in a matter in which they have a delegated power, duty or function must:

- not exercise the power or discharge the duty or function;
- disclose the type of interest and nature of interest to the in writing to the Chief Executive Officer as soon as he/she becomes aware of the conflict of interest. In the instance of the Chief Executive Officer having a pecuniary interest, disclosure in writing shall be made to the Mayor.



## Assembly of Councillors Record

This form **MUST** be completed by the attending Council officer and returned **IMMEDIATELY** to the Council Operations Team for filing. {see over for Explanation/Guide Notes}.

|                           |   |
|---------------------------|---|
| <b>Assembly details:</b>  | Municipal Emergency Management Planning Committee (MEMPC) Meeting |
| <b>Date:</b>              | Tuesday 2 June 2015   |
| <b>Time:</b>              | 10 am – 12 noon   |
| <b>Assembly Location:</b> | MacFarlane Burnett Room, Traralgon Service Centre                 |

### IN ATTENDANCE

|   |  |  |  |
|---|--|--|--|
| <b>Councillors:</b>   | <input type="checkbox"/> Cr Christine Sindt  | <input type="checkbox"/> Cr Graeme Middlemiss  | <input type="checkbox"/> Cr Peter Gibbons            |
|   | <input type="checkbox"/> Cr Dale Harriman  | <input type="checkbox"/> Cr Kellie O'Callaghan | <input type="checkbox"/> Cr Sandy Kam                |
|   | <input type="checkbox"/> Cr Darrell White  | <input type="checkbox"/> Cr Michael Rossiter   | <input checked="" type="checkbox"/> Cr Sharon Gibson |
| <b>Officer/s:</b>   | Lance King, Rebecca Johnson, Henry Morrison, Deb Brown, Helen Taylor   |  |  |
| <b>Matter/s and main topic/s discussed:</b><br><i>Provide dot points only, not the minutes of the meeting</i> | Reports, MEMP Audit, Sub-plans, community risks, MECC Activations, LEAPS, Exercises, Training, General business.                               |  |  |
| <b>Confidential/ Not confidential</b>   | Are the matters considered confidential under the Local Government Act?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |  |  |

### CONFLICT OF INTEREST DISCLOSURES: (refer to page 2)

|   |   |  |   |
|---|---|--|---|
| <b>Councillors:</b>   | <input type="checkbox"/> Cr Christine Sindt | <input type="checkbox"/> Cr Graeme Middlemiss  | <input type="checkbox"/> Cr Peter Gibbons |
|   | <input type="checkbox"/> Cr Dale Harriman   | <input type="checkbox"/> Cr Kellie O'Callaghan | <input type="checkbox"/> Cr Sandy Kam     |
|   | <input type="checkbox"/> Cr Darrell White   | <input type="checkbox"/> Cr Michael Rossiter   | <input type="checkbox"/> Cr Sharon Gibson |
| <b>Officer/s:</b>   |   |  |   |
| <b>Times that Officers / Councillors left/returned to the room:</b> |   |  |   |



Completed by: Rebecca Johnson

**Assembly of Councillors Record Explanation / Guide Notes**  
Required pursuant to the Local Government Act 1989 as amended.

**1. Section 80A requirements (re: Written Record to be made by Council staff member):**

Amendments to the Local Government Act 1989 (Section 80A), operative from 2 December 2008 now stipulate:

"At an assembly of Councillors, the Chief Executive Officer must ensure that a written record is kept of:

- the names of all Councillors and members of Council staff attending;
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- any conflict of interest disclosures made by a Councillor attending under subsection (3);
- whether a Councillor who has disclosed a conflict of interest as required by subsection (3) leaves the assembly."

The above required information is:

- to be reported to an Ordinary meeting of the Council; and
- incorporated in the minutes of that Ordinary meeting.

**2. Section 76AA definition:**

"**Assembly of Councillors** (however titled, e.g. meeting / inspection / consultation etc) is a meeting of an advisory committee of the Council, if at least one Councillor is present, or a planned or scheduled meeting of at least half of the Councillors and one member of staff which considers matters that are intended or likely to be;

- The subject of a decision of the Council; or
- Subject to the exercise of a function, duty or power of the Council that has been delegated to a person or committee.

**Brief Explanation:**

Some examples of an *Assembly of Councillors* will include:

- Councillor Briefings;
- on site inspections, generally meetings re: any matters;
- meetings with residents, developers, other clients of Council, consultations;
- meetings with local organisations, Government Departments, statutory authorities (e.g. VicRoads, etc);

providing **at least 5 Councillors and 1 Council staff member are present** and the matter/s considered are intended or likely to be subject of a future decision by the Council **OR** an officer decision under delegated authority.

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**Please note:** an Advisory Committee meeting requires only one Councillor to be in attendance. An advisory committee is defined as any committee established by the Council, other than a special committee, that provides advice to:

- the Council; or
- a special committee; or
- a member of Council staff who has been delegated a power, duty or function of the Council under section 98.

**3. Section 80A and 80B requirements (re: Conflict of Interest):**

Councillors and officers attending an Assembly of Councillors must disclose any conflict of interest.

**Section 80A(3)**

"If a Councillor attending an Assembly of Councillors knows, or would reasonably be expected to know, that a matter being considered by the assembly is a matter that, were the matter to be considered and decided by Council, the Councillor would have to disclose a conflict of interest under section 79, the Councillor must disclose either:

- (a) immediately before the matter in relation to the conflict is considered; or
- (b) if the Councillor realises that he/she has a conflict of interest after consideration of the matter has begun, as soon as the Councillor becomes aware of the conflict of interest, leave the assembly whilst the matter is being considered by the assembly."

**Section 80B**

A member of Council staff who has a conflict of interest (direct or indirect) in a matter in which they have a delegated power, duty or function must:

- not exercise the power or discharge the duty or function;
- disclose the type of interest and nature of interest to the in writing to the Chief Executive Officer as soon as he/she becomes aware of the conflict of interest. In the instance of the Chief Executive Officer having a pecuniary interest, disclosure in writing shall be made to the Mayor.





## Assembly of Councillors Record

This form **MUST** be completed by the attending Council officer and returned **IMMEDIATELY** to the Council Operations Team for filing. {see over for Explanation/Guide Notes}.

|                           |  |
|---------------------------|--|
| <b>Assembly details:</b>  | Morwell Town Common Development Plan Project Control Group                                   |
| <b>Date:</b>              | 10 June 2015   |
| <b>Time:</b>              | 5:05pm   |
| <b>Assembly Location:</b> | BRATAUALOONG ROOM<br>LATROBE CITY COUNCIL CORPORATE HEADQUARTERS<br>COMMERCIAL ROAD, MORWELL |

### IN ATTENDANCE

|   |  |  |   |
|---|--|--|---|
| <b>Councillors:</b>   | <input type="checkbox"/> Cr Christine Sindt  | <input checked="" type="checkbox"/> Cr Graeme Middlemiss | <input type="checkbox"/> Cr Peter Gibbons |
|   | <input type="checkbox"/> Cr Dale Harriman  | <input type="checkbox"/> Cr Kellie O'Callaghan           | <input type="checkbox"/> Cr Sandy Kam     |
|   | <input type="checkbox"/> Cr Darrell White  | <input type="checkbox"/> Cr Michael Rossiter             | <input type="checkbox"/> Cr Sharon Gibson |
| <b>Officer/s:</b>   | Simon Clark – Coordinator Recreation Liaison   |  |   |
| <b>Matter/s and main topic/s discussed:</b><br><i>Provide dot points only, not the minutes of the meeting</i> | Tom Shanahan made a presentation to the meeting for a proposed Liberty Swing project at the AAA Playground. Tom tabled documentation on the swing and has undertaken preliminary conversations regarding the proposal with Russell Northe MLA. The project would require a budget in excess of \$17,000 plus fencing etc. Funding avenues could possibly be from the Victorian Government and Latrobe City Council plus local fund raising. Tayla informed the meeting that the Variety Club of Australia has a Liberty Swing program where possible funding could be sought from. Cr Middlemiss said that the Latrobe City Council 2015/2016 budget had been adopted therefore alternative funding streams may need to be sought in the short term, if the project was to proceed. East Gippsland Shire Council has recently installed a Liberty Swing in Bairnsdale with Cr Middlemiss requesting Simon to undertake an investigation into the whole project cost, location, project foot print, design etc. Tom informed the Committee that he was looking for in principal support for the installation of a Liberty Swing at the common or alternatively to be informed that the Committee decline the proposal. Tom said that if the project was to proceed that it was probable that the Rotary Club of Morwell would be involved. The Committee agreed that further discussions on the proposal would need to be undertaken prior to any in principle support being given or not. Cr Middlemiss suggested that the project may also need to be considered by Council via a report. |  |   |



|   |  |
|---|--|
|   | <p>Simon informed the meeting that he had investigated the Frisbee Golf facility at Bass Coast and had been advised that the Council had received a government grant to establish their course, that the course consisted of 9 holes and that the Melbourne Disc Golf Club had been consulted in the course design, planning and construction. Simon was unable to establish the cost of the final project. Max requested that a report be presented to Latrobe City Council proposing that the project be advanced either at the common or alternatively at another suitable public open space. No objections to this course of action were received by the other Committee members.</p> <p>Simon and Keith discussed with the meeting a proposal to have a fence erected around the AAA Playground. Simon informed the meeting that Council officers were not in favour of fencing the area however did believe that a gate could be installed on the White Street carpark fence. Max recommended a pool fence style of gate. The possible fencing of the AAA Playground would require further discussion and consideration by the Committee and Council.</p> <p>Simon informed the Committee that a report to Council would be presented regarding the current status of the projects from the 2004 Latrobe City Council adopted Development Plan. The report would also highlight any new projects being considered e.g. Liberty Swing, Fencing and Frisbee Course etc plus possible ongoing Committee status.</p> |
| <b>Confidential/<br/>Not confidential</b> | <i>Are the matters considered confidential under the Local Government Act?</i><br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |

**CONFLICT OF INTEREST DISCLOSURES: (refer to page 2)**

|   |   |  |   |
|---|---|--|---|
| <b>Councillors:</b>   | <input type="checkbox"/> Cr Christine Sindt | <input type="checkbox"/> Cr Graeme Middlemiss  | <input type="checkbox"/> Cr Peter Gibbons |
|   | <input type="checkbox"/> Cr Dale Harriman   | <input type="checkbox"/> Cr Kellie O'Callaghan | <input type="checkbox"/> Cr Sandy Kam     |
|   | <input type="checkbox"/> Cr Darrell White   | <input type="checkbox"/> Cr Michael Rossiter   | <input type="checkbox"/> Cr Sharon Gibson |
| <b>Officer/s:</b>   |   |  |   |
| <b>Times that Officers / Councillors left/returned to the room:</b> |   |  |   |



Completed by: Simon Clark

**Assembly of Councillors Record Explanation / Guide Notes**  
Required pursuant to the Local Government Act 1989 as amended.

**1. Section 80A requirements (re: Written Record to be made by Council staff member):**

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providing **at least 5 Councillors and 1 Council staff member are present** and the matter/s considered are intended or likely to be subject of a future decision by the Council **OR** an officer decision under delegated authority.

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- not exercise the power or discharge the duty or function;
- disclose the type of interest and nature of interest to the Chief Executive Officer as soon as he/she becomes aware of the conflict of interest. In the instance of the Chief Executive Officer having a pecuniary interest, disclosure in writing shall be made to the Mayor.

**12.2 Proposed Sale of Land - Neville Street, Traralgon****Executive Manager****Office of the Chief Executive****For Decision****PURPOSE**

The purpose of this report is to consider the proposed sale of the discontinued laneway adjoining 2 Neville Street, Traralgon.

**EXECUTIVE SUMMARY**

In 1978 the former City of Traralgon discontinued the laneway created as road on LP 15006, and subsequently transferred parts of the land to the adjoining property owners.

One of the few sections yet to be transferred is currently fenced into 2 Neville Street, Traralgon, and the owner of the property has recently expressed an interest in acquiring the land.

Given the time that has elapsed since the laneway was discontinued by the former City of Traralgon, it would be prudent for Council to give public notice of its intention to consider the sale of this land in accordance with section 189 of the *Local Government Act* 1989 and invite comment on the proposal.

**RECOMMENDATION****That Council:**

- 1. Gives public notice of its intention to sell the discontinued laneway adjoining 2 Neville Street, Traralgon, being part of Lot 1 on TP 944314X and the land contained in Certificate of Title Volume 11177 Folio 711, and invite submissions pursuant to Section 223 of the *Local Government Act* 1989.**
- 2. Considers any submissions received regarding the proposed sale of the discontinued laneway adjoining 2 Neville Street, Traralgon, being part of Lot 1 on TP 944314X and the land contained in Certificate of Title Volume 11177 Folio 711, at its meeting to be held on Monday, 17 August 2015.**
- 3. Notifies the owner of 2 Neville Street, Traralgon, of its decision.**

**DECLARATION OF INTEREST**

No officer declared a conflict of interest under the *Local Government Act* 1989 in the preparation of this report.

**STRATEGIC FRAMEWORK**

This report is consistent with Latrobe 2026: The Community Vision for Latrobe Valley and the Latrobe City Council Plan 2013-2017.

*Latrobe 2026: The Community Vision for Latrobe Valley*

*Strategic Objectives - Governance*

*In 2026, Latrobe Valley has a reputation for conscientious leadership and governance, strengthened by an informed and engaged community, committed to enriching local decision making.*

*Latrobe City Council Plan 2013 - 2017*

*Theme and Objectives*

*Theme 3: Efficient, effective and accountable governance*

*Legislation*

Section 189 of the *Local Government Act 1989* gives Council the power to sell land however, prior to doing so, it must:

- (a) ensure that public notice of the intention to do so is given at least 4 weeks prior to selling or exchanging the land; and
- (b) obtain from a person who holds qualifications or experience specified under section 13DA(2) of the *Valuation of Land Act 1960* a valuation of the land which is made not more than 6 months prior to the sale or exchange.

This power is subject to Section 223 of the *Local Government Act 1989* which requires Council 'publish a public notice stating that submissions in respect of the matter specified in the public notice will be considered in accordance with this section'.

Council must then consider any written submissions that have been received and any person who has made a submission and requested they may be heard are entitled to appear before a meeting of Council.

*Policy – Sale of Council Owned Property Policy 11 POL-4*

The principal aim of this policy is to define the circumstances and factors that will be assessed by Council in respect to the sale of Council owned property. The purpose of this policy is to serve as an accountability mechanism to the community.

It is Council's position that the sale of Council owned property will be via public auction unless circumstances exist that justify an alternative method of sale.

All sales of Council owned property shall be consistent with the Local Government Best Practice Guidelines for the Sale and Exchange of Land prepared by the Department of Planning and Community Development.

### **BACKGROUND**

In 1978 the former City of Traralgon discontinued and allowed the sale of various parts of the laneway created as road on LP 15006, between Kay, Washington and Neville Streets, most of which has been transferred and consolidated with the adjoining properties over the subsequent years.

Those sections that have not been transferred are now described as Lot 1 on TP 944314X being the land contained in Certificate of Title Volume 11177 Folio 711 that remains in the name of the original owner of the land, W.G Freeman.

In September 2013 the owner of 2 Neville Street, Traralgon, contacted Council regarding maintenance of the section of laneway adjoining the property.

Following further discussions with the property owner it was agreed that this land, measuring approximately 197 square meters, would be transferred and consolidated as it formed part of a discontinued laneway and was fenced into the property.

Whilst the former City of Traralgon undertook the statutory process to discontinue the road and set a precedent by transferring sections of the laneway to the various adjoining property owners, given the time that has elapsed it would be prudent for Council to give public notice of its intention to consider the sale of this land and invite comment on the proposal prior to selling the land.

### **KEY POINTS/ISSUES**

The section of the laneway proposed to be sold has provided driveway access to the garage at the rear of 2 Neville Street, Traralgon, for some time as shown on the attached aerial photograph.

This section of the laneway could possibly be transferred to the owners of 8 Broadford Court, Traralgon, however they have previously advised that they are not interested in acquiring the land.

As the land is encumbered with an easement in favour of Gippsland Water for sewer assets that are located in the land it will not be possible to build over it and the current use as a driveway is the most practicable use in these circumstances.

In any case, both Gippsland Water and the owners of 8 Broadford Court, Traralgon, will be contacted and invited to provide comment on the proposed sale of land.

While the former City of Traralgon has set a precedent in transferring other sections of the laneway to various adjoining property owners, given the time that has elapsed it would be prudent for Council to give public notice and invite comment on the proposed sale prior to selling the land.

### **RISK IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management framework.

There is not considered to be any risks associated with this report.

### **FINANCIAL AND RESOURCES IMPLICATIONS**

Costs associated with the statutory process are minimal, being the cost of notices in the Latrobe Valley Express inviting public comment on the proposed sale of land.

Should Council resolve to sell the land, all legal and survey costs associated with the transfer and consolidation of the land would be the responsibility of the purchaser.

### **INTERNAL/EXTERNAL CONSULTATION**

#### *Engagement Method Used:*

Public comment on the proposed sale of land will be sought via the following methods:

- Public notices in the Latrobe Valley Express
- Notice displayed at the Corporate Headquarters and Traralgon Service Centre.
- Details placed on the Latrobe City Council website.
- Letters sent to Gippsland Water and the owners of 8 Broadford Court, Traralgon.

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

In accordance with Section 223 of the Local Government Act 1989 any submissions that are received regarding this matter will be referred for consideration at a future meeting of Council.

### **OPTIONS**

Council may now resolve to:

1. Give public notice of its intention to consider the sale of part of the discontinued laneway adjoining 2 Neville Street, Traralgon, and seek public comment on the proposal.
2. Not give public notice of its intention to consider the sale of part of the discontinued laneway adjoining 2 Neville Street, Traralgon, and resume negotiations with the property owner.
3. Retain the land.

**CONCLUSION**

In 1978 the former City of Traralgon discontinued parts of the laneway created as road on LP 15006, most of which has been transferred and consolidated with the adjoining properties over the subsequent years.

The owner of 2 Neville Street, Traralgon, has recently expressed an interest in acquiring the land however, given the time that has elapsed since the former City of Traralgon discontinued the laneway, it would be prudent of Council to give public notice of its intention to consider the sale of the land and invite public comment on the proposal.

**SUPPORTING DOCUMENTS**

Nil

**Attachments**

1. Attachment One: 2 Neville Street Traralgon (Aerial View)
2. Attachment Two: 2 Neville Street Traralgon (Street View)
3. Attachment Three: Title Plan 944314X



## **12.2**

### **Proposed Sale Of Land - Neville Street, Traralgon**

- 1 Attachment One: 2 Neville Street Traralgon (Aerial View) ..... 45**
- 2 Attachment Two: 2 Neville Street Traralgon (Street View)..... 47**
- 3 Attachment Three: Title Plan 944314X..... 49**



**Note**  
The information shown on this map is derived from a variety of sources including, but not limited to, Vicmap Data, other State and Local Government Agencies data and Latrobe City Data.

**Disclaimer:**  
The State of Victoria does not warrant the accuracy or completeness of information in this publication and any person using or relying upon such information does so on the basis that the state of Victoria shall bear no responsibility or liability whatsoever for any errors, faults, defects or omissions in the information.  
Latrobe City does not guarantee the accuracy or the currency of the information presented on this map and therefore Latrobe City will not be held liable for any loss or damage arising as a result of using this information.  
The location of features shown on this map is indicative only. The underground infrastructure location shown is not to be used as a substitute for **Dial Before You Dig**.  
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2 Neville Street,  
Traralgon

15/06/2015

Scale 1:461





Delivered by LANDATA®. Land Victoria timestamp 15/06/2015 09:10 Page 1 of 1

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|  |   |   |                                  |   |  |                               |
|--|---|---|----------------------------------|---|--|-------------------------------|
| <b>TITLE PLAN</b>  |   | <b>EDITION 1</b>                              | <b>TP 944314X</b>                |   |  |                               |
| <b>LOCATION OF LAND</b><br>PARISH: TRARALGON<br>TOWNSHIP:<br>SECTION:<br>CROWN ALLOTMENT: 48 (PT)<br>CROWN PORTION:<br>LAST PLAN REFERENCE: LP 15006<br>DERIVED FROM: VOL. 4992 FOL. 299<br>DEPTH LIMITATION: NIL  |   |   | <b>NOTATIONS</b>                 |   |  |                               |
| <b>EASEMENT INFORMATION</b><br>E - ENCUMBERING EASEMENT. R - ENCUMBERING EASEMENT (ROAD). A - APPURTENANT EASEMENT.  |   |   |                                  | THIS PLAN HAS BEEN PREPARED BY LAND VICTORIA FOR TITLE DIAGRAM PURPOSES<br><br>Checked by: A. DALLAS<br><br>Date: 16/12/2009<br><br>Assistant Registrar of Titles |  |                               |
| Easement Reference   | Purpose / Authority                                 | Width (Metres)                                | Origin                           |   |  | Land benefited / In favour of |
| E-1  | AS PROVIDED FOR IN SEC. 528 (2) (e) LOCAL GOVT. ACT | SEE DIAG.                                     | SEC. 528 (2) (e) LOCAL GOVT. ACT |   |  | TRARALGON SEWERAGE AUTHORITY  |
| E-2  | AS PROVIDED FOR IN SEC. 528 (2) (e) LOCAL GOVT. ACT | SEE DIAG.                                     | SEC. 528 (2) (e) LOCAL GOVT. ACT | CITY OF TRARALGON & TRARALGON SEWERAGE AUTHORITY  |  |                               |
| <p>The diagram shows a triangular plot of land bounded by Washington Street to the west, Neville Street to the south, and an unnamed boundary to the east. Three lots, each labeled 'LOT 1 (3 PIECES)', are situated along the northern boundary. Easements E-1 and E-2 are shown as narrow strips along the northern boundary. Measurements and bearings are provided for all boundaries and easements. For example, the western boundary has a bearing of 303°21' and a length of 1.45. The northern boundary of the first lot has a bearing of 69°54' and a length of 36.02. The eastern boundary of the second lot has a bearing of 176°48' and a length of 38.49. The southern boundary of the entire plot has a bearing of 249°54' and a length of 121.26.</p> |   |   |                                  |   |  |                               |
| LENGTHS ARE IN METRES  | SCALE   | DEALING / FILE No: AG924965F                  |                                  | DEALING CODE:   |  |                               |
|  | —   | GOVERNMENT GAZETTE No: 71 P. 2539 (LGD. 2677) |                                  | SHEET 1 OF 1  |  |                               |

# PLANNING & ECONOMIC SUSTAINABILITY

13. PLANNING & ECONOMIC SUSTAINABILITY

**13.1 Council Authorisation to Prepare a Planning Scheme  
Amendment for Glendonald Road Churchill**

General Manager

Planning & Economic  
Sustainability

For Decision

**PURPOSE**

The purpose of this report is for Council to consider a request to be made to the Minister for Planning to authorise the preparation and exhibition of a proposed amendment to the Latrobe Planning Scheme in accordance with Section 8A (3) of the *Planning and Environment Act 1987* (the Act).

**EXECUTIVE SUMMARY**

This report seeks Council consideration to authorise a proponent led request to be made to the Minister for Planning to prepare and exhibit a proposed amendment to the Latrobe Planning Scheme. The Amendment proposes to rezone land at Glendonald Road, Churchill from Rural Living Zone Schedule 4 to Low Density Residential Zone; and introduce the Development Plan Overlay Schedule 8 to the land. DPO8 sets out the requirements for a development plan which must be prepared before the land can be developed.

The land is located on the south side of Glendonald Road Churchill, and sits on the southern fringe of the Churchill Township (see Attachment 1 – Subject Land Map). The land has established rural living housing development on the east and west of the site, conventional density residential housing to the north and farming land to the south.

The proponents supporting documentation sets out the existing conditions of the land, an overview of the State and Local Planning Policy Framework including current zoning and overlays, and justification for the proposed planning controls. The amendment will be formally known as Latrobe C90. The proposed Amendment provides the opportunity to improve housing choice and diversity within Churchill by providing market-ready Low Density Residential Zone land. Reticulated sewerage is not proposed to service the lots which will require a minimum lot size of 0.4 hectare to allow for onsite septic tanks.

Seeking authorisation to exhibit the proposed planning scheme amendment is consistent with facilitating development of the land for future residential purposes.

### **RECOMMENDATION**

**That Council requests authorisation from the Minister for Planning to prepare and exhibit the proposed amendment to the Latrobe Planning Scheme, which seeks to:**

- **Rezone the land (CA 39 Section A – Volume 11518 Folio 444 and CA 39C Section A– Volume 11518 Folio 445) from Rural Living Zone (RLZ4) to Low Density Residential Zone (LDRZ); and**
- **Introduce the Development Plan Overlay Schedule 8 (DPO8) to the land.**

### **DECLARATION OF INTEREST**

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

### **STRATEGIC FRAMEWORK**

This report is consistent with Latrobe 2026: The Community Vision for Latrobe Valley and the Latrobe City Council Plan 2013-2017.

#### *Latrobe 2026: The Community Vision for Latrobe Valley*

##### *Strategic Objectives – Built Environment (City Planning)*

In 2026, Latrobe Valley benefits from a well-planned build environment that is complementary to its surroundings, and which provides for a connected and inclusive community.

Latrobe City is a vibrant and diverse community. Council is ensuring that the changing needs and aspirations of our diverse community are met by providing facilities, services and opportunities that promote an inclusive and connected community.

#### *Latrobe City Council Plan 2013 - 2017*

##### *Theme and Objectives*

##### *Theme 5: Planning for the future*

*To provide a well-planned, connected and liveable community.*

*To provide clear and concise policies and directions in all aspects of planning.*

##### *Strategic Direction – Planning for the future*

Provide efficient and effective planning services and decision making to encourage development and new investment opportunities.

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

Plan and coordinate the provision of key services and essential infrastructure to support new growth and developments.

### *Legislation –*

The provisions of the Latrobe Planning Scheme and the following legislation apply to this amendment:

- *Local Government Act 1989.*
- *Planning and Environment Act 1987*
- *Transport Integration Act 2010*

The proposed amendment is consistent with the Latrobe Planning Scheme and the applicable legislation.

### **BACKGROUND**

An amendment application was received on 7 August 2014, by consultants Hansen Partnership Pty Ltd acting on behalf of landowners Junction Road Partnership. After receipt of the application, it was determined that further work was required by the applicant prior to resubmission on 19 January 2015.

The subject land is located at Glendonald Road, Churchill. The land is located immediately to the south of the Churchill Town Boundary and 1.6km from the Hazelwood Village Shopping Centre, a mix of residential and rural living allotments adjoins the subject land.

The northern boundary of the subject land directly fronts Glendonald Road. Twenty conventional residential allotments (General Residential Zone), ranging from 570m<sup>2</sup> to 700m<sup>2</sup> is located immediately opposite this frontage.

To the east and west of the subject land, the allotments are zoned Rural Living 3 (RLZ3) and range from 0.15 to 4.8 hectares with 24 of these allotments interfacing with the subject land. Greater lot density exists in the north-east, where the lot sizes are more representative of Low Density Residential (LDRZ) subdivision outcomes.

Land adjoining to the south of the subject site is zoned Rural Living (RLZ3), where a current Planning Permit has been issued for Stage 1 of the subdivision of the land (13 allotments), with Stage 2 to follow in the short to medium term. Titles have yet to be issued for these 13 lots.

The proposal affects the following allotments:

- Title Plan 770344F - formerly Crown Allotment 39 Section A Parish of Hazelwood Vol 11056 Fol 808,809, 810.
- Title Plan 792113C – formerly Crown Allotment 39C Section A Parish of Hazelwood Vol 11056 Folio 805, 806, 807.

The proposal requests permission to rezone the subject land from RLZ4 to LDRZ; and to introduce the DPO8 to the land.

Currently there is no LDRZ land in Churchill available for development. The application for rezoning presents Council with the opportunity to



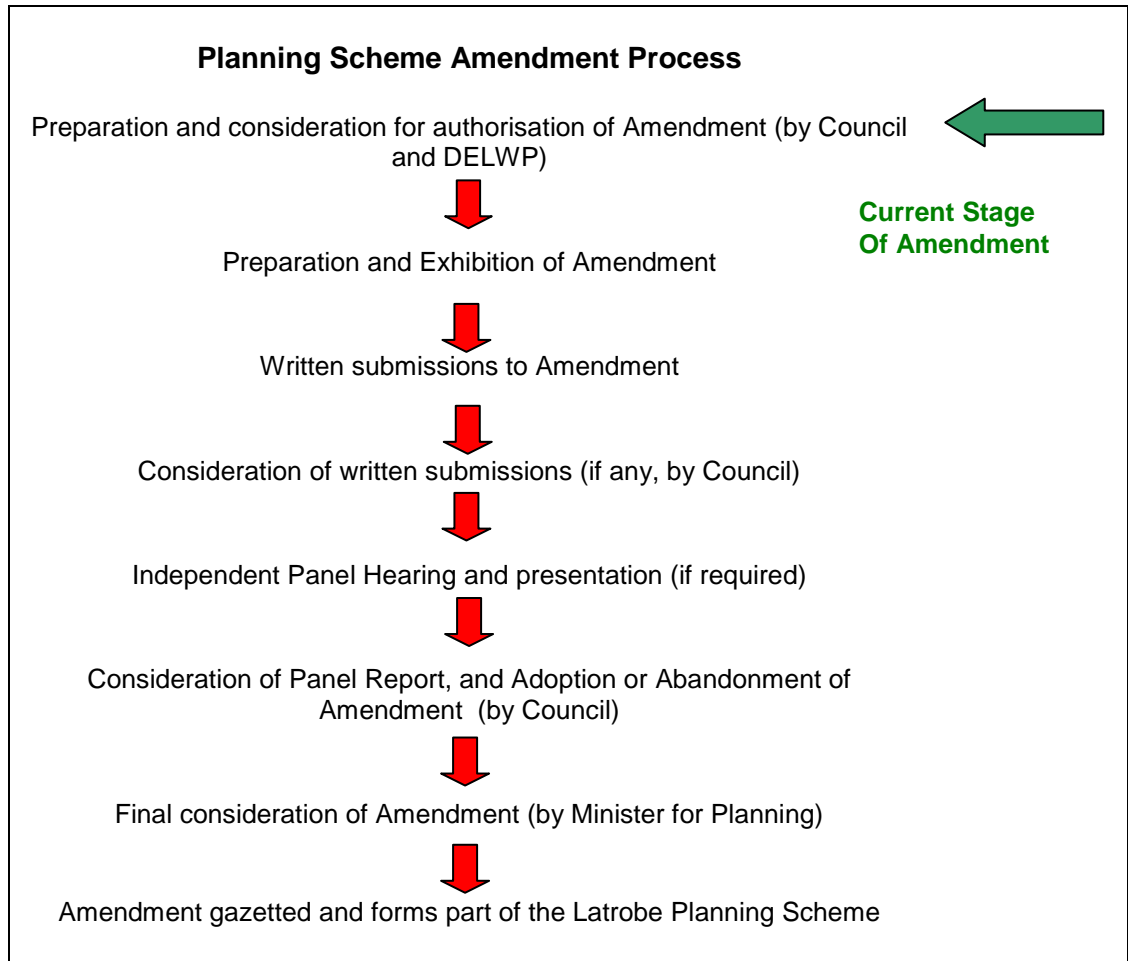
increase the variety of future residential land available in Churchill, in particular, the void of 'market ready' LDRZ land. Additionally, this rezoning provides an opportunity to offset the future intensification of Low Density Residential land in Traralgon and meet the ongoing demand for this type of land. If the rezoning were to be approved, the subject site has the capacity for a total lot yield of 92 allotments if reticulated sewerage was not made available and a possible 185 lots if reticulated sewerage was to be made available for connection. This is a requirement under the Low Density Residential Zone Clause 32.0-3 Subdivision. This clause states that for lots that are unable to be connected to reticulated sewerage, lots must be a minimum size of 0.4Ha and for lots that can be connected to reticulated sewerage can have a minimum lot size of 0.2Ha.

#### Planning Scheme Amendments/Permits

A previous Planning Permit (2008/315) was issued on 5 January 2010 for 25 Junction Road, Churchill which included the subject site. The Planning Permit approved a 37 lot subdivision, with 11 allotments accommodated on the portion of the land that is the subject of the current application. These lots were approved under the scope of the existing Rural Living Zone (RLZ4), where the Planning Permit included a number of conditions relating to site access and servicing and infrastructure. Despite a Planning Permit being issued, amended plans were not prepared and endorsed as required by the permit that enabled subdivision. No development has proceeded.

#### Statutory Requirements

The planning scheme amendment process is shown in the figure below and provides an indication of the current stage. This report seeks Authorisation to prepare this Planning Scheme amendment and to proceed to the next phase of the process which is exhibition of the amendment documents.



In accordance with Section 9 of the Act, the Minister for Planning may authorise a municipal council to prepare an amendment to State and local standard provisions of a planning scheme in force in its municipal district.

Municipal councils, as the Planning Authority, have a number of duties and powers. These duties and powers are listed at Section 12 of the Act. Under Section 12 a planning authority must have regard to (*inter alia*):

- The objectives of planning in Victoria;
- The Minister's directions;
- The Victoria Planning Provisions;
- The Latrobe Planning Scheme;
- Any significant effects which it considers a planning scheme amendment might have on the environment or which it considers the environment might have on any use or development envisaged by the amendment.

This Amendment proposal has had regard to Section 12 of the Act and is consistent with the requirements of Section 12.

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In addition, each amendment must address the Department of Environment, Land, Water and Planning (DELWP) publication *Strategic Assessment Guidelines for Planning Scheme Amendments*. A response to these guidelines is included in the Explanatory Report which will be exhibited with this proposed amendment.

The proposal is consistent with the State Planning Policy Framework and the Municipal Strategic Statement (MSS). A response to this is included in the Explanatory Report which will be exhibited with this proposed amendment.

The proposal is consistent with the State Planning Policy Framework at Clause 11 – Settlement, Clause 15 – Built Environment and Heritage, and Clause 16 – Housing.

The proposal is also consistent with the MSS specifically Clause 21.04- Built Environment Sustainability, Clause 21.05 – Main Towns, and Clause 21.08-Liveability. A response to this is included in the Explanatory Report which will be exhibited with this proposed amendment.

### **INTERNAL/EXTERNAL CONSULTATION**

The amendment is subject to the prescribed process in accordance with the public notice and consultation requirements of Section 19 of the Act.

This will include advertising in the government gazette, local newspapers and community meetings if required as well as written notification to landowners and occupiers that may be materially affected by the amendment following authorisation of the amendment.

All statutory and servicing authorities likely to be materially affected will also be notified of the proposed amendment.

Preliminary internal referrals to Health and Engineering have occurred for this proposed Amendment. A detailed land capability assessment and traffic assessment will be done at the Development Plan stage where further consultation will occur.

### **KEY POINTS/ISSUES**

#### **Land Supply and Demand**

The *Residential and Rural Residential Land Supply Assessment (February 2009)* assessed and provided forecasts of the supply and demand for future residential and rural residential land. The report completed an assessment of the forecast dwelling demand by zone in Churchill and was undertaken assuming that LDRZ land is made available for development. The assessment provided for LDRZ to account for 5% of dwelling demand in Churchill. However, there is currently no market ready LDRZ land in Churchill. This proposal will assist in meeting the predicted of forecast demand.

**Resource Protection**

Land to the west of the subject site (beyond Monash Way) is currently covered by the Environmental Significance Overlay, Schedule 1 (ESO1). This overlay has been applied to protect the buffer areas from potential future coal extraction. The effect of this buffer is to limit Churchill's town growth to the west and direct growth close to the Town Centre in the East and South, thus making the rezoning of the subject land appropriate.

**Community Views**

When the previous planning permit was processed for subdivision of the land into 37 lots, the community expressed concerns regarding increased traffic on Glendonald Road. It is expected that this will be raised by the local residents during exhibition of this Amendment. A traffic impact assessment has been completed as part of the application, and will be available for consideration during exhibition.

**Infrastructure**

Currently, Gippsland Water have indicated that they will not support connection to any lots if this land was rezoned to LDRZ or higher density, as this land has not been identified for LDRZ in future Council Structure Plans and there is no capacity in the current sewer system to allow any future connections. Attachment 2 shows current connections to reticulated sewerage in proximity to the subject site. The land is currently unable to be served by sewerage, unless the developer contributes full cost to connect the land to reticulated sewerage. Early indications are that the cost of providing infrastructure for reticulated sewerage may impose a substantial burden on the developer. The developer has not pursued detailed costings of extending reticulated sewerage to the site at this point in time as additional hydraulic modelling will be required to be undertaken at the cost of the developer.

There is no reason to expect that the land will not be able to provide for the installation of on-site waste disposal systems as identified by the LCA provided and a more detailed LCA will be prepared for assessment at the Development Plan stage once lot configuration has been determined. The proponent's report has indicated at a later date, if the circumstances change from Gippsland Waters's current position, they could entertain the idea of servicing the lots with reticulated sewerage, however a preliminary LCA has been provided due to the advice received from Gippsland Water that capacity is currently not available.

Without any formal Council policy regarding intensifying LDRZ areas without reticulated sewerage, it is important Councillors are aware that Council will have future obligations regarding the ongoing future compliance of septic systems. As a result of not proposing to provide reticulated sewerage each lot is required to be the minimum lot size of 0.4ha. The current lot yield is 37 lots under the RLZ. If the rezoning is approved without requiring reticulated sewerage (i.e. septic tanks), the lot yield is 92 lots. With connection to reticulated sewerage the potential lot yield could increase to 185 lots in the LDRZ.

**RISK IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management framework.

It is expected that neighbouring landowners will raise traffic concerns, however the process of preparing the Development Plan (post this Amendment) is an appropriate mechanism to address these concerns in greater detail. Traffic reports will be provided to the community during the public exhibition stage.

**FINANCIAL AND RESOURCES IMPLICATIONS**

The prescribed fees for planning scheme amendments are detailed in the *Planning and Environment (Fees) Regulations 2012*. The costs associated with a planning scheme amendment include: considering a request to amend a planning scheme, consideration of submissions, providing assistance to a panel and adoption and approval of an amendment.

As the amendment is being undertaken at the request of the landowner, statutory fees associated with this proposed amendment will be met by the proponent, Hansen Partnership Pty Ltd.

**OPTIONS**

The options available to Council are as follows:

1. That Council pursues the proposed amendment and supports the request to be made to the Minister for Planning to authorise the preparation and exhibition of the amendment to the Latrobe Planning Scheme.  
Or
2. That Council does not support the request to be made to the Minister for Planning, to authorise the preparation and exhibition of the amendment to the Latrobe Planning Scheme and therefore abandons the amendment.

**CONCLUSION**

The proposed Amendment provides the opportunity to improve housing choice and diversity within Churchill by providing market-ready Low Density Residential Zone land.

Seeking authorisation to exhibit the proposed planning scheme amendment is consistent with facilitating development of the land for future residential purposes. Proceeding to the public exhibition process will enable the community to be engaged and make comment on the proposal.

**SUPPORTING DOCUMENTS**

Nil

**Attachments**

1. Subject Land Map
2. Location of Reticulated Sewerage in Relation to the Subject Site

## 13.1

### **Council Authorisation to Prepare a Planning Scheme Amendment for Glendonald Road Churchill**

- |   |   |    |
|---|---|----|
| 1 | Subject Land Map .....  | 61 |
| 2 | Location of Reticulated Sewerage in Relation to the<br>Subject Site ..... | 63 |

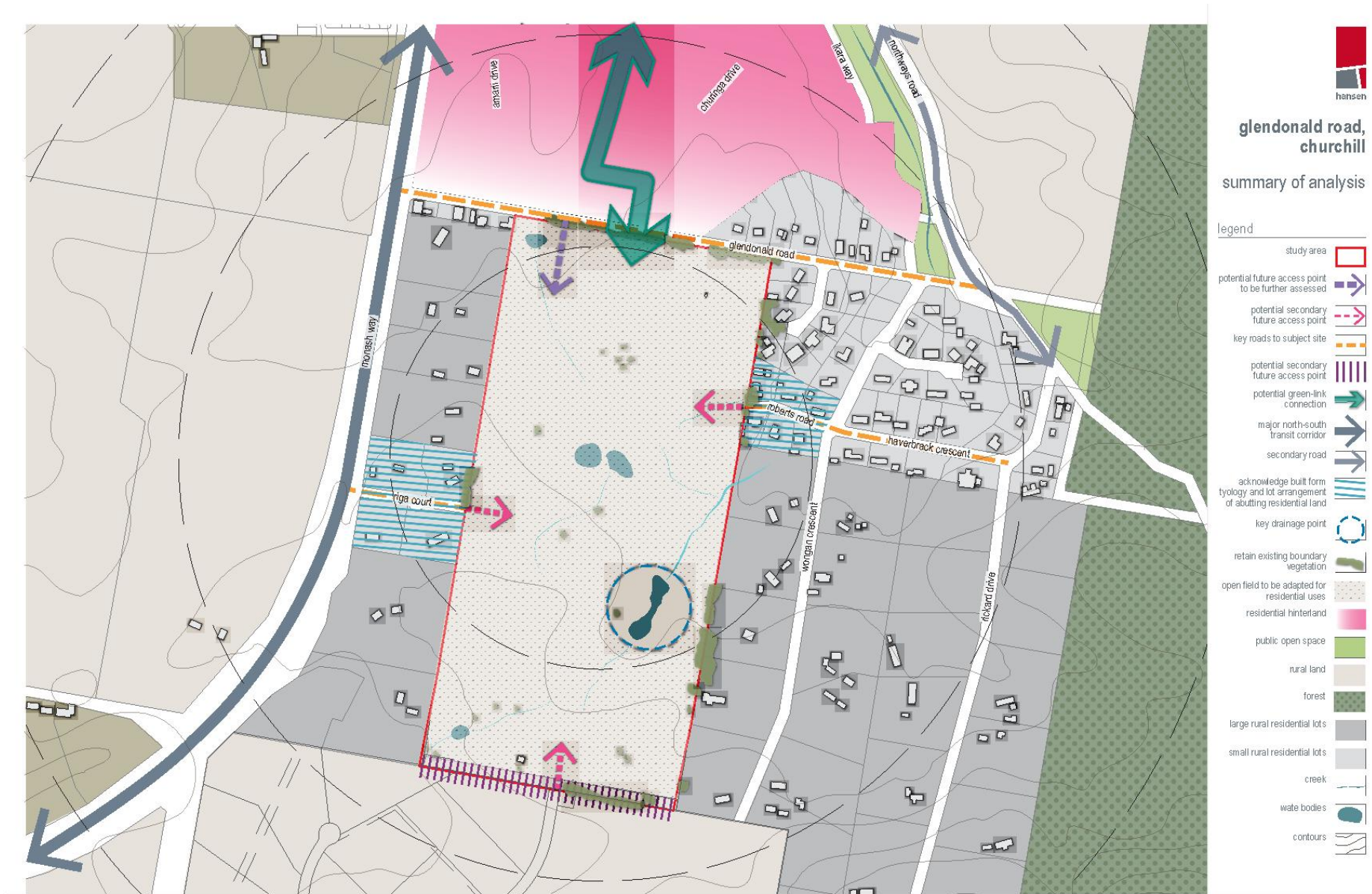


figure 19 summary of analysis

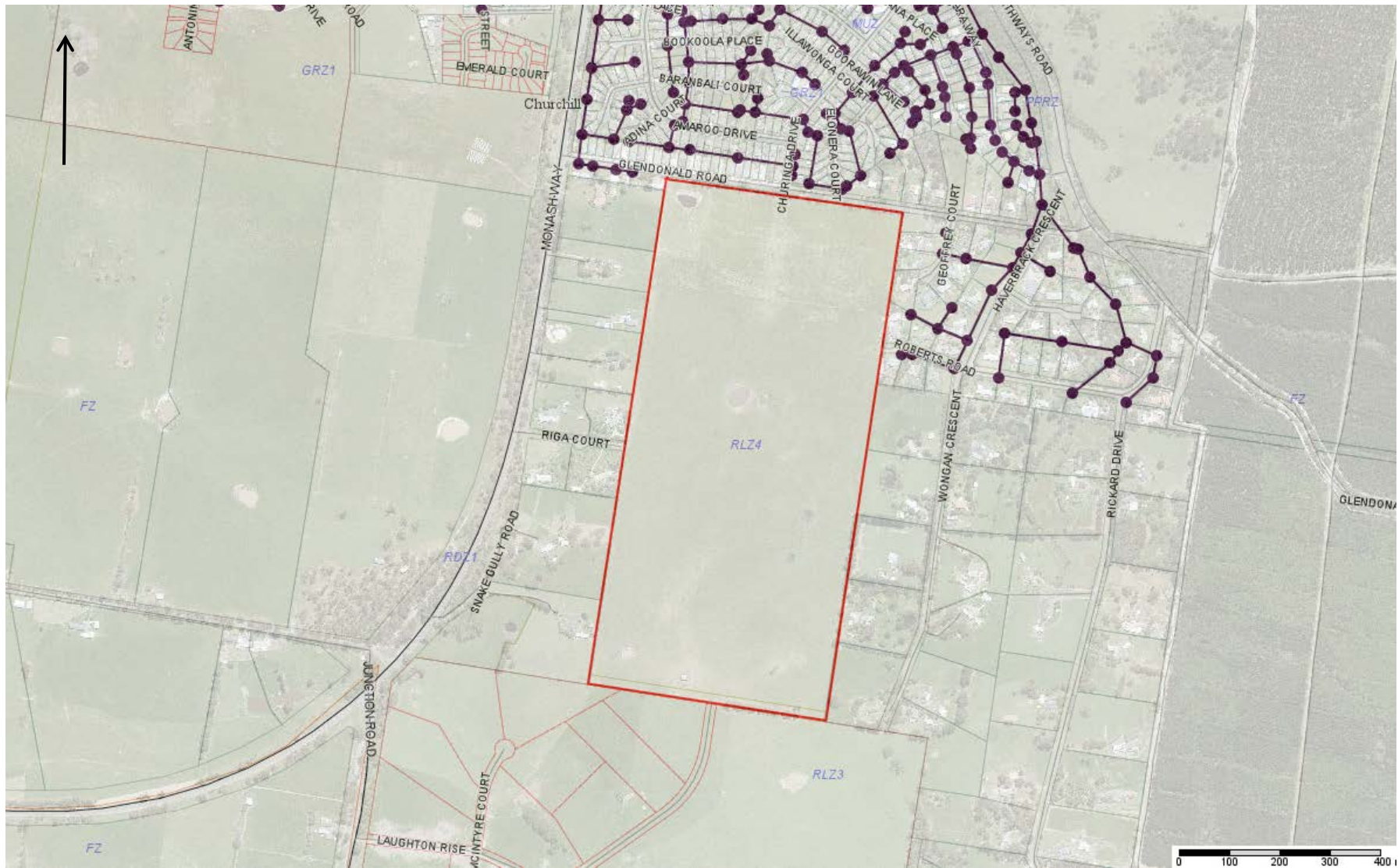


Project Ref: 14.101  
 Dwg No.: UDD-001  
 Scale: 1:6000@A3  
 Date: 07.10.2014  
 Revision: A



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Reticulated Sewerage connections in relation to the Subject Site on to the Subject Site



Legend

-  Sewer Pipes
-  Sewer Nodes

**13.2 Latrobe Performing Arts and Convention Centre Review****General Manager****Planning & Economic  
Sustainability****For Decision****PURPOSE**

The purpose of this report is to present the Latrobe Performing Arts and Convention Centre review to Council for adoption.

**EXECUTIVE SUMMARY**

The Latrobe Performing Arts and Convention Centre review has been completed by the consultants, Geografia, and is now presented to Council for adoption.

A report was presented to Council at the Ordinary Council meeting held 15 December 2014 whereby it was discussed that there is now an opportunity to apply for Federal Government funding towards the Latrobe Performing Arts and Convention Centre and that a review of the project was required.

The review focussed on the following aspects: community sentiment for the project, optimal location, capital and operational costs of the proposed facility and market assumptions and an extensive community engagement process was also implemented.

The review has provided some key recommendations, one of which was that a business case be developed that includes: strong evidence base for the new venue, completion of functional design brief for costings and engage a specialised theatre design consultant.

This work and information will be required to support any future funding submissions and this point of view was confirmed by key stakeholders including the Federal Government, State Government and Creative Victoria.

Due to the uncertainty surrounding demand for conventions in Latrobe City, contrasted with more certainty presented in Arts patronage, an option available is to clearly separate the two projects and focus on a new performing arts centre located in Traralgon and a convention centre located in Morwell.

It is recommended that Council adopt the final Latrobe Performing Arts and Convention Centre review, including the Traralgon location for the performing arts centre and consider the key recommendations provided in the report including:

- Confirm key design elements and engage a specialised theatre design consultant.
- Complete functional design brief for costing and inclusion in Business Case.
- Confirm demand projections for functions and events.

**RECOMMENDATION**

That Council:

1. **Adopt the Review of the Latrobe Performing Arts and Convention Centre Feasibility Study and Business Case June 2015.**
2. **Consider the Latrobe Performing Arts and Convention Centre as two separate projects – Latrobe Performing Arts Centre and Latrobe Convention Centre.**
3. **In relation to the Latrobe Performing Arts Centre:**
  - a) **Confirms the site of the existing Latrobe Performing Arts Centre in Traralgon as the site for the new Latrobe Performing Arts Centre.**
  - b) **Undertake a detailed business case for the Latrobe Performing Arts Centre including a strong evidence base for the new facility and confirmation of key design elements.**
  - c) **Engage a specialised theatre design consultant to confirm key design elements and complete a functional design brief to detail costs of the Latrobe Performing Arts Centre.**
  - d) **Allocate \$200,000 from the 2015/16 Financial Year surplus to develop the Latrobe performing arts business case and functional concept design.**
  - e) **Establish a representative community working group to steer the business case and design for the Latrobe Performing Arts Centre.**
  - f) **Receive a report pending the outcome of the funding submission to the National Stronger Regions Fund – Round 2.**
  - g) **Continue to liaise with the Victorian and Commonwealth governments in relation to potential funding opportunities.**
4. **In relation to the Latrobe Convention Centre:**
  - a) **Confirms Morwell as the location of the Latrobe Convention Centre.**
  - b) **Undertakes further detailed analysis and investigation to confirm potential demand for a dedicated convention centre in Latrobe City.**
  - c) **Establish a representative community working group, to steer the business case and design for the Latrobe Convention Centre.**
  - d) **Allocate funding in future budgets to assist with the development of a business case and functional concept**

- design for the Latrobe Convention Centre.
- e) Investigate funding options for the Latrobe Convention Centre.

### **DECLARATION OF INTEREST**

No officer declared a conflict of interest under the *Local Government Act 1989* in the preparation of this report.

### **STRATEGIC FRAMEWORK**

This report is consistent with Latrobe 2026: The Community Vision for Latrobe Valley and the Latrobe City Council Plan 2013-2017.

#### *Latrobe 2026: The Community Vision for Latrobe Valley*

##### *Strategic Objectives – Built Environment*

In 2026, Latrobe Valley benefits from a well-planned built environment that is complimentary to its surroundings and which provides for a connected and inclusive community.

##### *Strategic Objectives – Culture*

In 2026, Latrobe Valley celebrates the diversity of heritage and cultures that shape our community with activities and facilities that support the cultural vitality of the region.

##### *Strategic Objectives – Community*

In 2026, Latrobe valley is one of the most liveable regions in Victoria, known for its high quality health, education and community services, supporting communities that are safe, connected and proud.

#### *Latrobe City Council Plan 2013 - 2017*

##### *Theme and Objectives*

##### *Theme 1: Job creation and economic sustainability*

Actively pursue long term economic prosperity for Latrobe City, one of Victoria's four major regional cities

##### *Strategic Direction –*

Work in partnership with business, industry and government to create new jobs and investment in Latrobe City.

Provide timely and targeted infrastructure to support economic growth and the marketability of Latrobe City to industry and investors.

Provide timely and targeted infrastructure to support economic growth and the marketability of Latrobe City to industry and investors.

Promote and support the development and economic return of the tourism and events sector.

Enhance community and business confidence in the future of the local economy.

*Theme 2: Affordable and Sustainable facilities, services and recreation*

To provide facilities and services that are accessible and meet the needs of our diverse community

To promote and support a healthy, active and connected community

*Strategic Direction –*

Develop and maintain community infrastructure that meets the needs of our community.

Promote and support opportunities for people to enhance their health and wellbeing.

Encourage and create opportunities for more community participation in sports, recreation, arts, culture and community activities.

Enhance and develop the physical amenity and visual appearance of Latrobe City.

### **BACKGROUND**

In March 2008, Latrobe City Council considered a petition requesting that 'Council build a state of the art Performing Arts and Convention Centre'. This petition contained over 1,200 signatures and at this time Council resolved to undertake a feasibility study to assess this request.

The feasibility study was completed in late 2009 and articulated that for a regional centre, Latrobe City's provision and quality of performing arts infrastructure needs improvement. It provided a comparison of two development scenarios, Scenario 1 – Traralgon and scenario 2 – Morwell, assumptions, economic value, capital costs and employment benefits.

Following the release of the feasibility study Council, at its Ordinary Council Meeting on 7 June, 2010 resolved:

1. *That the proposal to construct a Performing Arts and Convention Centre on the Kernot Hall site be adopted.*
2. *That work not commence until funding availability has been clarified and the project included in Council's budget process, including the impact on rates.*
3. *That existing facilities (including hall/theatre) on the Traralgon Civic Complex be retained and maintained appropriately.*
4. *That the Mayor writes to all who made a submission to thank them for their contribution and advise of Council's decision to adopt the*

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

### *Latrobe Performing Arts and Convention Centre Feasibility Study October 2009, Development Scenario 2 – Morwell.*

A report was presented to Council at the Ordinary Council meeting held 15 December 2014 whereby it was discussed that there is now an opportunity to apply for Federal Government funding towards the Latrobe Performing Arts and Convention Centre. As considerable time had elapsed since the production of the business case, Council should critically review the project feasibility and either review or reaffirm where the LPACC is located and its underlying capital costs and business case before applying for Federal Government funding.

As such, at this meeting, Council resolved the following:

*That Council:*

1. *Critically reviews the feasibility of scenario 1 (Traralgon) and scenario 2 (Morwell) for the Latrobe Performing Arts and Conference Centre project, to ensure optimal 'whole of life' operational costings.*
2. *Submits an application to the National Stronger Regions fund (NSRF) in the second round; and*
3. *Implements a community engagement process during and after the Business Case review.*

The consulting firm, Geografia, was selected to undertake the Latrobe Performing Arts and Convention Centre review which has focussed on the following aspects: community sentiment for the project, location, capital costs of the proposed facility and the operational costings of the proposed facility.

The initial draft review report was presented to Council at the Ordinary Council Meeting held 13 April 2015 whereby Council resolved the following:

1. *Endorse the draft Latrobe Performing Arts and Convention Centre review for community consultation for a period of 7 weeks, commencing Tuesday 14 April 2015 to Monday 1 June 2015.*
2. *Invite written submissions to be received for a period of 4 weeks commencing Tuesday 14 April 2015 to Tuesday 12 May 2015.*
3. *Write to key stakeholders identified in this project and inform them of the community consultation period and written submission period.*
4. *Hold a Special Council meeting on 18 May 2015 to allow community members speak to their submissions.*

A Special Council meeting was held on 18 May 2015 where community members spoke to their written submissions and the official consultation period for the project was completed on 1 June 2015 when the survey closed.

### **KEY POINTS/ISSUES**

The consulting firm, Geografia, were selected to undertake the Latrobe Performing Arts and Convention Centre review which has focussed on the following aspects: community sentiment for the project, location, capital costs of the proposed facility and the operational costings of the proposed facility.

The final Latrobe Performing Arts and Convention Centre review is attached (Attachment 1) and includes the following information:

#### **Key Findings**

A summary of the review's key themes/findings are below:

#### ***Community and Stakeholder Sentiment***

The key themes and statistics emerging from the stakeholder consultation are as follows:

#### **Existing Infrastructure**

- Performing arts groups, school groups, Creative Gippsland and Council representatives all agree that none of the existing facilities in Latrobe City provides purpose-built performance/conference space. Limited dressing room and backstage space; safety/access/comfort of seating; and insufficient maintenance were reported as the most significant problems.
- The existing venues are not adequate to continue supporting high quality events.
- It is recognised by both the State Government and Council that Latrobe City is poorly provisioned in cultural facilities, particularly compared with other regional cities.

#### **Changes since last study**

There have been changes to the performing arts landscape since the last study, in particular:

- Demand from schools has decreased since the 2009 stimulus spending, which enabled many schools to build their own or shared performing arts spaces (e.g. Lowanna College Auditorium in Newborough).
- Demand expectations may also have changed; notably, ticket sales from 2009 to 2013-14 increased by approximately 25%. These trends have been factored into the demand projections which provide a low, mid and high scenario for market growth (to be provided in the draft review report). There is a slight variation in expectations for demand between the Traralgon and the Morwell site (Traralgon at 2.2% higher). This is due to the notably higher attendance at arts and cultural activities by Traralgon residents.

#### **Likely Demand from Community Arts Groups**

Community performing arts groups are not seeking additional (seating) capacity, so much as more versatile, better maintained facilities. Many

groups said they already felt 'priced out' of Council facilities and had sought alternative locations.

Convention Centre

There was general optimism that the convention/conference centre proposal had potential to bring in significant earnings from outside Latrobe City, mainly due to:

- Perceived growth in the conference sector.
- Confidence that with effective and targeted promotion, there is a real opportunity to attract events and conferences to Latrobe City.

Funding

- Stakeholders noted that it is consistent with current State Government policy to consider the infrastructure needs of the surrounding communities (i.e. Baw Baw) as well as the Latrobe City community.
- It is also consistent with Government policy to support facilities that are complementary within a region (that is, not offering exactly the same functionality).
- Any funding requests to State or Commonwealth will be carefully scrutinised for demand projections and revenue/expenditure and they will need a robust business case in support of them.

Online Survey Statistics

- 709 surveys were completed with 632 (89%) in favour of a new facility.
- 92% cite "being able to put on shows not available at existing facilities" as the key reason in favour of a new facility.
- Of the 77 who do not support it, 47 (72%) say there are more important needs for Latrobe and 42 (64%) say the City is already well provisioned with performing arts spaces.
- 419 of the 642 respondents (60%) that answered the question said they would support refurbishment of existing facilities.
- The most important factor Council should consider in deciding on developing a facility was convenience and availability of parking (627 or 93% respondents cited this as very important or somewhat important).

In addition, Geografia have advised that demographic profile of respondents and their attendance rates strongly indicate the survey is not a statistically significant representative sample of the wider community.

***Demand***

Analysis supports the findings of the feasibility Study; that there is a greater level of demand for Performing Arts in Latrobe City and surrounding areas than is currently being met by existing venues.

Growth Scenarios



Three scenarios were modelled when undertaking the research and included the following key assumptions:

- Increase in performance attendees at an average of 5%, 7% and 8.5% per annum growth (conservative, mid-range and ambitious scenario).
- Performance and events growth increase initially and then eases off.

*Variation in Demand*

- There is a slight variation in demand projections for the Traralgon and Morwell options; the assumption is that a Traralgon venue generates between 1.8%-2.2% more visitations, mostly due to the notably higher propensity for arts and cultural activities amongst Traralgon residents (evidenced by ticket sales data which indicates Traralgon residents make up the majority of attendees in all Council venues).

***Location***

- The 2015 review confirms that gaps remain in existing performing arts facilities in Latrobe City.
- Overall, the Morwell site has the characteristics of an 'edge of town' site and Traralgon, an 'in town' site. While successful venues (for both performances and functions) can be run in both locations, industry experience indicates that there is more risk with 'edge of town' sites and a need for particularly active programming and promotion to maximise community interest and use.
- The Traralgon 'in town' site is very likely to be more successful in building an audience and stimulating local economic activity than the 'edge of town' location in Morwell.
- On this basis, and the views from key stakeholders, Traralgon should be considered the preferred location for the proposed construction of a new mixed-use performing arts facility.

***Capital Cost Estimate***

The following capital costs have been estimated by a quantity surveyor:

Morwell - \$16.974 million (including Kernot Hall refurbishment and excluding any costs in relation to existing LPAC).

Traralgon - \$16.724 million (including partial refurbishment to Kernot Hall).

However, should the scope of the project change to reflect two separate projects being a performing arts centre in Traralgon and convention centre in Morwell, updated costings would need to be provided.

Furthermore, accurate costings would need to be compiled once a detailed design for either facility is completed.

**Operational Costs Estimate**

The following operational costs have been estimated:

Morwell:

| Conservative        | Mid-Range             | Ambitious             |
|---------------------|-----------------------|-----------------------|
| \$917,000 per annum | \$1,062,000 per annum | \$1,181,000 per annum |

- At the mid-range point, this represents a \$584,000 increase on the 2013/14 level.

Traralgon:

| Conservative        | Mid-Range             | Ambitious             |
|---------------------|-----------------------|-----------------------|
| \$956,000 per annum | \$1,104,000 per annum | \$1,225,000 per annum |

- At the mid-range point, this represents a \$626,000 increase on the 2013/14 level.

It should be noted that benchmarking of some regional cities and larger centres in Gippsland found subsidisation amounts fell within the range of \$450,000 to \$1,400,000 per annum and that Latrobe was, then, at the lower end of the scale.

As per capital costs, these estimated operational costs are based on a performing arts and convention centre. Should the scope of the project change to reflect two separate facilities, further work would be required to determine operational costs of those facilities.

**Whole of Life Operating Costs**

- Whole-of-life operational costs should include money set aside per annum to cater for any major building or plant replacement. That is, an asset renewal fund.
- Given that a functional design brief has not been developed, it is difficult to calculate reliable whole-of-life operating costs or indicative replacement costs.
- A rule of thumb for maintenance, plant replacement and upgrading is to allow 3% per annum of the total capital cost.
  - Based on indicative capital costs, this would suggest that an annual amount of \$350,000 should be allowed per annum for Morwell and \$390,000 per annum for Traralgon.
- Some of this amount has been set aside in operating costs under maintenance so the above figures represent the balance of the 3%.
- These costs are in addition to the net cost figures identified in the financial forecast section of the review.

**Key Stakeholder Position**

- Two key stakeholders consulted by Geografia were Creative Victoria (formerly Arts Victoria) and Regional Development Victoria. Both of these stakeholders have indicated that they would encourage an in-town development; therefore the Traralgon site is supported as it is centrally located in the town, closer to other amenities.

**Review Recommendations**

The Latrobe Performing Arts and Convention Centre review provides some clear recommendations, with some key ones being:

- Develop a business case, with strong evidence base, for the new venue.
- Confirm key design elements and engage a specialised theatre design consultant.
- Complete functional design brief for costing and inclusion in a Business Case.
- Confirm demand projections for functions and events.

**Other Considerations**

- The original business case completed in 2012 focussed on a new performing arts facility at the Kernot Hall, Morwell location. Should Council adopt a different location (Traralgon), a further business case including more detailed design of the facility would be required. This is one of the recommendations above.
- In recent meetings with the State Government, Federal Government and Creative Victoria the need for a thorough business case for a new location and greater level of detailed design was expressed in order to support any future funding submissions.
- Even in its current state, the original business case completed for the Kernot Hall, Morwell location would require additional detailed work to support any funding submission.
- Regardless of location, all potential funding stakeholders provided advice that a successful funding submission will be dependent upon evidence that the local community is unified in its support of the need for the project and its location.

**National Stronger Regions Fund - Round 2**

- The National Stronger Regions Fund Round 2 closes on 31 July 2015.
  - The fund provides \$1 billion over 5 years with an aim to promote sustainable Economic Development.
  - The funding is for 'Investment Ready' projects that demonstrate "value to the taxpayer". In this case "value" is defined as meet

the funds eligibility criteria, providing the greatest relative merit at a reasonable cost and within acceptable risk to the government and taxpayer.

- The project must be completed by 31 December 2019.
- Nature and scope of economic benefit is very important and needs to be a strong return on investment.
- If it's a replacement facility it must show a significant increase in productivity.
- Must have partner funding confirmed.
- \$1.2 billion was sought in round one - oversubscribed and heavily competitive.
- 33% of applications ineligible. 72% of these had not confirmed partner funding.
- 51 of 405 applications were approved.
- Council officers are developing an application to this fund, however, in its current form, the project does not present a detailed business case to support a strong funding submission and therefore there is a risk that a funding submission at this stage will be unsuccessful.
- It has been advised that a detailed business case would need to be completed, along with a more detailed design of the facility.
- Should Council wish to proceed with a business case and greater level of design, appropriate funds will need to be allocated within budgets to do so.

### **Convention Centre**

It is mentioned in the review that quantifying the potential demand for non-performance functions is subject to an even higher degree of uncertainty than for arts performances.

Furthermore, recommendation 2 states 'Confirm demand projections for functions and events. Consider the potential long-term demand for the development of a larger scale dedicated convention facility serving Gippsland, separate from the proposed performing arts centre'.

There is varying opinions on the specific type and functionality of a convention centre and, given the recommendation in the report, there is an opportunity to separate the convention component from the performing arts centre and conduct a more detailed investigation as a separate activity. This could involve further analysis of demand, scale and the potential to upgrade the existing Kernot Hall facility or another Morwell location.

The result of such an opportunity would be a new performing arts centre located in Traralgon and a new or upgraded convention centre space located in Morwell.

**Next Steps**

***Latrobe Performing Arts Centre***

- Apply for National Stronger Regions Fund – Round 2 in its current state.
- Undertake a comprehensive business case on the Traralgon location including a more detailed functional design, appointment of a specialised theatre consultant and confirmation of costings.
- Create a working group to steer the business case.
- Continue to liaise with funding bodies in relation to potential funding opportunities.
- Full detailed design of the facility may be completed at a later date should funding be forthcoming.

***Latrobe Convention Centre***

- Undertake further analysis/investigation into the demand and location of a new or upgraded facility.
- Create a working group to steer the investigation.
- Complete design and costings when applicable.
- Investigate funding opportunities.

**RISK IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management framework.

|                        |  |
|------------------------|--|
| <b>Risk</b>            | Development of performing arts business case and detailed design timeframes.   |
| <b>Outcome</b>         | Inability to provide enough support for funding submissions for immediate funding.   |
| <b>Likelihood</b>      | Almost Certain   |
| <b>Consequence</b>     | Moderate (Attention from media/heightened concern by local community)  |
| <b>Risk Rating</b>     | High   |
| <b>Risk Mitigation</b> | Nil – NSFR Round 2 closes on 31 July 2015, there is not enough time to complete a business case and detailed design for the performing arts facility. However, this does not preclude Council from applying. |

|                |  |
|----------------|--|
| <b>Risk</b>    | Funding for a performing arts business case/detailed design                        |
| <b>Outcome</b> | Inability to provide enough support for funding submissions for immediate funding. |

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

|                        |   |
|------------------------|---|
| <b>Likelihood</b>      | Possible  |
| <b>Consequence</b>     | Moderate (Attention from media/heightened concern by local community)               |
| <b>Risk Rating</b>     | High  |
| <b>Risk Mitigation</b> | Council to consider an allocation of funds in the 2015/16 or future year's budgets. |

|                        |  |
|------------------------|--|
| <b>Risk</b>            | Project (performing arts) funding is not forthcoming.  |
| <b>Outcome</b>         | Project may not proceed without State and Federal funding or Council's contribution becomes greater. |
| <b>Likelihood</b>      | Possible   |
| <b>Consequence</b>     | Major (budget variation of >30%) (serious public or media outcry)                                    |
| <b>Risk Rating</b>     | High   |
| <b>Risk Mitigation</b> | Heavily advocate project to potential funding bodies and complete detailed business case and design. |

|                        |   |
|------------------------|---|
| <b>Risk</b>            | Either project does not proceed after review is complete.                       |
| <b>Outcome</b>         | Expectations of community members are jeopardised.                              |
| <b>Likelihood</b>      | Possible  |
| <b>Consequence</b>     | Moderate (heightened concern by local community)                                |
| <b>Risk Rating</b>     | High  |
| <b>Risk Mitigation</b> | Adequate financial project plan and communicate effectively with the community. |

|                        |   |
|------------------------|---|
| <b>Risk</b>            | Inaccurate estimated costs.                             |
| <b>Outcome</b>         | Capital and operational costs greater than anticipated. |
| <b>Likelihood</b>      | Possible  |
| <b>Consequence</b>     | Moderate (operating budget variation of 5-10%).         |
| <b>Risk Rating</b>     | High  |
| <b>Risk Mitigation</b> | Develop functional design brief.                        |

### **FINANCIAL AND RESOURCES IMPLICATIONS**

Financial implications of the actual project should it proceed are:

#### **Capital Costs**

Morwell - \$16.974 million (including Kernot Hall refurbishment and excluding any costs in relation to existing LPAC).

Traralgon - \$16.724 million (including partial refurbishment to Kernot Hall).

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

However, should the scope of the project change to reflect two separate projects being a performing arts centre in Traralgon and convention centre in Morwell, updated costings would need to be provided.

Furthermore, accurate costings would need to be compiled once a detailed design for either facility is completed.

### Operational Costs

Morwell:

| Conservative        | Mid-Range             | Ambitious             |
|---------------------|-----------------------|-----------------------|
| \$917,000 per annum | \$1,062,000 per annum | \$1,181,000 per annum |

- At the mid-range point, this represents a \$584,000 increase on the 2013/14 level.

Traralgon:

| Conservative        | Mid-Range             | Ambitious             |
|---------------------|-----------------------|-----------------------|
| \$956,000 per annum | \$1,104,000 per annum | \$1,225,000 per annum |

- At the mid-range point, this represents a \$626,000 increase on the 2013/14 level.

As per capital costs, these estimated operational costs are based on a performing arts and convention centre. Should the scope of the project change to reflect two separate facilities, further work would be required to determine operational costs of those facilities.

### Further Business Case and Design

Further work in this regard for either the new Latrobe Performing Arts Centre or Convention Centre would require the development of a project scope that could be sent to potential consultants in order for them to provide a quote for the works.

At this stage, the figure is unknown but to progress this, a funding allocation would need to be made in the 2015/16 budget or future years budgets.

### Council Contribution - Capital Costs of New Facilities

Council are currently undertaking a review of the long term financial plan and any decision on a new Latrobe Performing Arts Centre or Convention Centre will need to be considered as part of that process.

### INTERNAL/EXTERNAL CONSULTATION

*Engagement Method Used:*

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

An extensive community engagement plan was developed and implemented. This included:

### **Phase 1**

The following community consultation methods have been undertaken as part of the review and specific information is provided in Attachment 2.

#### Focus Groups

Identified key stakeholders such as but not limited to: Latrobe Theatre Company, Latrobe Valley Eisteddfod, Theatre Companies and Latrobe City Council Internal Stakeholders etc.

Thursday 5 March 2015: 10.00am – 11.30am

Thursday 5 March 2015: 12.00pm – 1.30pm

Thursday 5 March 2015: 3.30pm – 5.00pm

Friday 6 March 2015: 2.00pm – 3.30pm

#### Listening Posts

These provide community members with the opportunity to complete the survey and have an informal discussion about the project.

Monday, 23 February 2015: Latrobe Performing Arts Centre, Traralgon – 5.00pm to 8.00pm

Friday, 6 March 2015: Mid Valley Morwell - 10.00am to 12.00pm

Friday, 6 March 2015: Stocklands Traralgon – 6.00pm to 8.00pm

Thursday, 12 March 2015: Churchill Hub - 9.30am to 12.00pm

Thursday, 12 March 2015: Moe Service Centre – 1.00pm to 4.00pm

Tuesday, 17 March 2015: Latrobe Performing Arts Centre, Traralgon – 7.00pm to 8.00pm

#### Meetings

1:1 meetings/telephone calls with key stakeholders were undertaken by the consultant and booked in during the consultation period.

#### Direct Mail

All previous submitters to the initial LPACC Feasibility Study were sent correspondence including the survey (Approximately 450).

All members of the LPAC were sent correspondence including the survey (Approximately 350).

All primary schools and secondary schools were sent correspondence including the survey in the week of 23 March 2015.

#### Online Survey

The online survey has been available to complete since Thursday 19 February 2015.

#### Hardcopy Surveys

Surveys were available at the following locations and also available upon request:

Traralgon Service Centre and Library



**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

Moe Service Centre and Library  
Morwell Service Centre (HQ) and Library  
Churchill Hub  
Morwell Leisure Centre  
Churchill Leisure Centre  
Moe/Newborough Leisure Centre  
Traralgon Sports Stadium  
Early Learning Centres

- Please Note – Some hard copy surveys were distributed with the following error:

Question: In the last 12 months, have you attended any of the following types of performances in these locations:

*Musical Performance/Recital* – This was doubled up and was amended quickly on all surveys.

This error was amended promptly and the consultants have confirmed that this has not impacted in any way on the review that they have conducted.

#### Media

A media release was issued to local media outlets on Thursday 19 February 2015 which provided details on the project and directed people to the online survey.

#### Advertising

Advertising was carried out in the Council Noticeboard of the Latrobe Valley Express on 19, 23 and 26 February and 9 March. This included details on how to get involved and also provided information on the community listening posts.

#### Website and Social Media

Opportunities to be involved have been included on the Council's website 'Have a Say' page, Facebook and Twitter, including the community listening post details.

### **Phase 2**

The following community engagement methods were undertaken upon the release of the draft Latrobe Performing Arts and Convention Centre review:

#### Direct Mail

All stakeholders that were contacted in Phase 1 were sent correspondence providing them with details on where to access the draft review, how they can make a written submission and details of the Special Council meeting.

#### Meetings

1:1 meetings/telephone calls with key stakeholders were offered following the release of the draft review and a total of 2 community members met with Geografia to discuss the review.

### Information Sessions

Community information sessions were held by the consultant and Council officers to inform the community about the draft review and provide an opportunity for community members to ask questions. Details of these sessions were as follows:

Tuesday 5 May 2015: Moe Library 6.00pm – 7.00pm

Wednesday 6 May 2015: Macfarlane Burnett Room Traralgon 6.00pm – 7.00pm

Thursday 7 May: Nambur Wariga Room Morwell 6.00pm – 7.00pm

### Surveys

The survey continued to be provided online and at the locations as listed previously.

### Draft Review

This document was made available on Council's website and hard copies at the locations listed previously.

### Advertising

Advertising was carried out from 14 April 2015 which included details of the Special Council meeting.

### Website and Social Media

Opportunities to be involved were included on the Council's website 'Have a Say' page, Facebook and Twitter.

## **OPTIONS**

Council has the following options in relation to this report:

1. Adopt the Latrobe Performing Arts and Convention Centre review and note the review's recommendations.
2. Not adopt the Latrobe Performing Arts and Convention Centre review.
3. Seek further information in relation to the Latrobe Performing Arts and Convention Centre review.

## **CONCLUSION**

A report was presented to Council at the Ordinary Council meeting held 15 December 2014 whereby it was discussed that there is now an opportunity to apply for Federal Government funding towards the Latrobe Performing Arts and Convention Centre.

As considerable time had elapsed since the production of the original business case, the consulting firm, Geografia, was selected to undertake a review of the Latrobe Performing Arts and Convention Centre. The review

focussed on the following aspects: community sentiment for the project, optimal location, capital and operational costs of the proposed facility and market assumptions.

The review recommends the adoption of the Traralgon site for a new Latrobe Performing Arts and Convention Centre and provided some key recommendations. One of which was that a further business case be developed that includes: strong evidence base for the new venue, completion of functional design brief for costings and engage a specialised theatre design consultant.

This work and information will be required to support any future funding submissions and this point of view was reiterated by key stakeholders including the Federal Government, State Government and Creative Victoria.

Due to the uncertainty surrounding demand for conventions in Latrobe City, contrasted with more certainty presented in Arts patronage, an option available is to clearly separate the two projects and focus on a new performing arts centre located in Traralgon and a convention centre located in Morwell.

### **SUPPORTING DOCUMENTS**

1. National Stronger Regions Fund – Latrobe Performing Arts and Convention Centre Council Report 15 December 2015.
2. Latrobe Performing Arts and Convention Centre – Draft Review Report 13 April 2015.
3. Latrobe Performing Arts and Convention Centre – Special Council Meeting 18 May 2015
4. Latrobe Performing Arts and Convention Centre Business Case September 2012.
5. Latrobe Performing Arts and Convention Centre Feasibility Study October 2009.

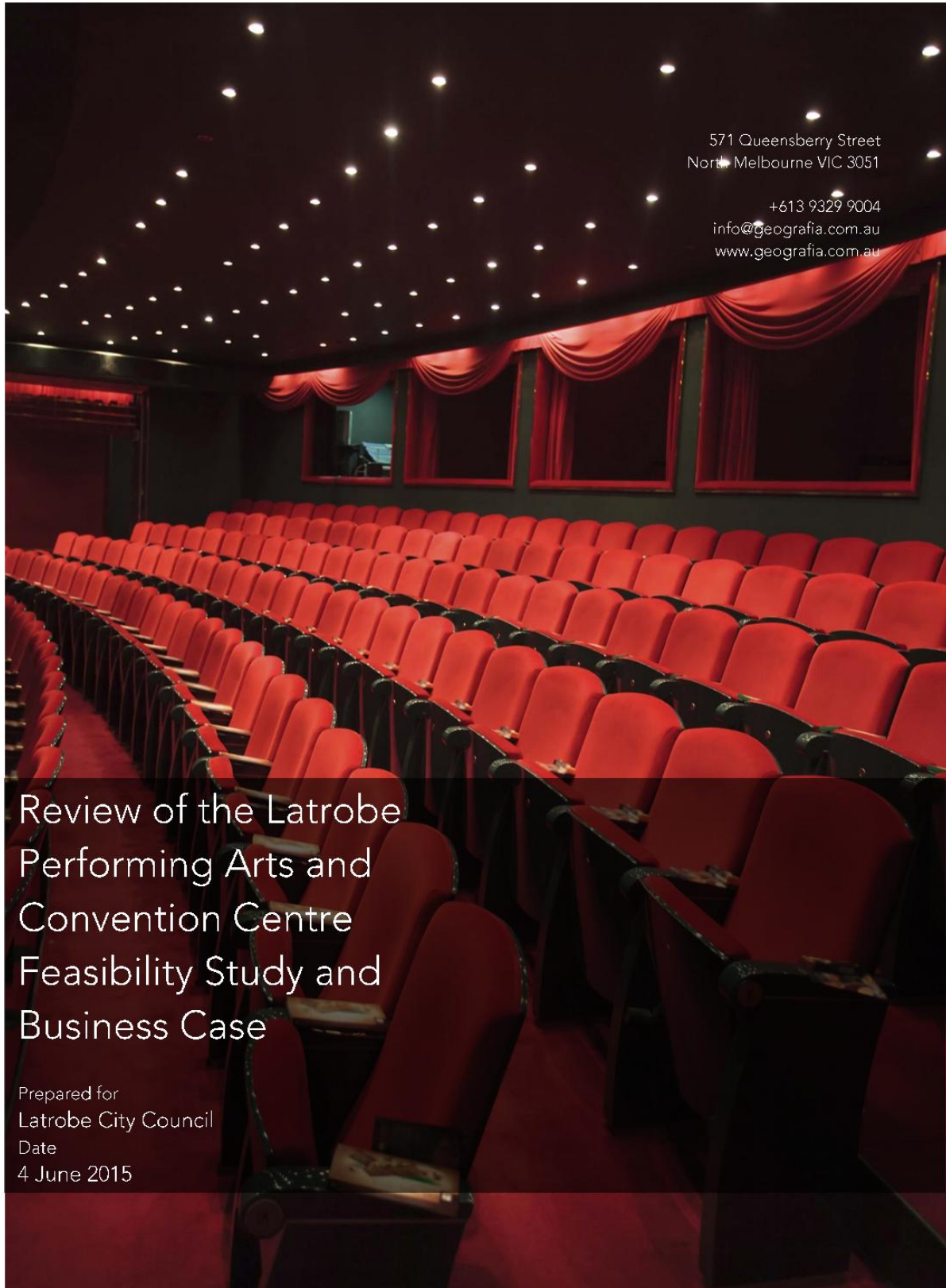
#### **Attachments**

1. LPACC Review Final
2. Engagement Phase One and Two

## **13.2**

### **Latrobe Performing Arts and Convention Centre Review**

- 1 LPACC Review Final..... 83**
- 2 Engagement Phase One and Two ..... 157**



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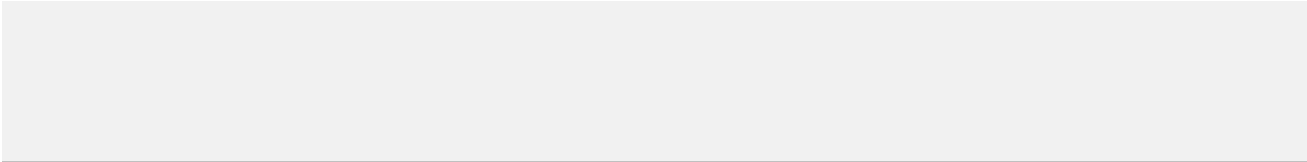
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# Review of the Latrobe Performing Arts and Convention Centre Feasibility Study and Business Case

Prepared for  
Latrobe City Council  
Date  
4 June 2015



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## Executive Summary

As eastern Victoria's only regional centre, there is a sound case for Latrobe City hosting a regional performing arts and convention centre; both to meet growing local demand and to support new events and activities. The facility (broadly as scoped in the 2009 study) will cost in the order of \$17m to build and to be able to meet expectations it will require a *net increase* in the annual Council subsidy to the performing arts portfolio of between \$392,000 and \$700,000 per year (on 2014-15 expenditure, depending on scenario and site option). This increase will elevate Latrobe City into the mid-range for regional city performing arts subsidisation.

There are still decisions to be made about the ongoing use of all of Latrobe City's facilities, which will impact on total costs. The financial and economic differences between the two sites of Morwell and Traralgon are minor. However, best practice performing arts planning favours the Traralgon site.

A successful funding application to State or Commonwealth is very likely to hinge on the preparation of a robust business case for the final site/design. This will need to examine demand and functionality in more detail than has been done previously, particularly for convention and events activity. It will also need to consider carefully how the facility will complement, rather than compete with, other venues in Gippsland.

### Key points

- This report was commissioned to review the findings of the 2009 Feasibility Study and 2012 Morwell Business Case for the development of a performing arts and convention centre. It considers the relative merits of the two preferred sites previously identified (Traralgon and Morwell); updates costs; and includes the findings of community and stakeholder consultation undertaken in 2015.
- Current analysis supports the earlier findings that there is a greater level of demand for the performing arts in Latrobe City, and surrounding areas, than is currently being met by existing venues. Three growth scenarios have been



identified for planning purposes: conservative, mid-range and ambitious, with a small difference in total ticket sales envisaged between the two sites (in the order of 2%).

- **Demand for a convention centre is more difficult to substantiate** although it is likely that demographic trends will support a reliable revenue stream from small to medium sized functions. Properly managed, this should not compromise the core delivery of the performing arts program and this 'mixed use' is a proven business model elsewhere. **Beyond this, it may be appropriate to consider the feasibility of a dedicated, standalone convention and conference centre that could service the whole of the Gippsland region for the longer term.**
- **Functional gaps remain in the existing performing arts facilities** and this is limiting use, notably by commercial hirers. Ideally, the Arts and Culture Strategy should feed into a Master Plan for all of Latrobe City's performing arts facilities, which may help to determine the use of all of the Council's arts assets.
- The proposed scale of the main theatre, with a 500-seat capacity, aligns with existing venues and is consistent with regional performing arts facilities built in recent years, considering relative populations and catchment areas. **It is vital, however, that the final specifications recognise the need to build complementary venues across the region and not replicate similar, nearby facilities in Sale and Warragul.**
- When deciding the final location, the Traralgon "in town" site is more likely to stimulate wider economic and social benefits and is less risky than the "edge of town" location in Morwell. It is reasonable to assume that **the Traralgon site is also the preferred site for key potential funders of the project.** There are a range of arguments for and against each site (see Section 9 for further details).
- Cost plans have been updated for both sites assuming a tender date of 2017 and an opening year of 2019/20. Total costs are broadly similar for both sites, estimated at almost \$17 million, an increase of approximately 40% since 2009, attributable to both price and scope changes, some of which need confirmation in the development of a business case or Master Plan.
- The updated cost plans and financial forecasts assume that Kernot Hall will be at least partially refurbished if the new theatre is sited in Traralgon (albeit to a lesser extent than it would be under the Morwell site option), and that the full venue suite would continue to be managed on a portfolio basis across the City.
- Other costs for the Traralgon site that were not included in the 2012 study have now been incorporated but need further confirmation. Particularly critical is the future use of the existing site of the Latrobe Performing Arts Centre in Traralgon. **Further consideration should be given to options to realise value in this existing site and whether this could be used to assist the funding of the overall project.**
- **Programming will need a strategic approach, balancing the risks and opportunities of self-programming; co-presenting; and providing a venue for community and commercial hire.** Strong arts networks and regional collaboration will need to be maintained. Given the scale of the proposed venue, it will be critical to integrate the management of performances and functions and to attract the right

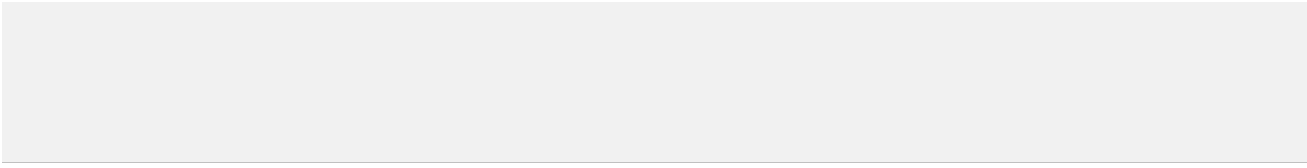




skill mix, particularly in new areas of operations such as catering and building service contracts management.

- **The review confirms earlier findings, and general industry experience, that a new facility will demand a *net increase* in total arts subsidisation by the Council.** Depending on the audience growth scenario, this will be in the order of \$430,000 to \$700,000 per annum if the Traralgon site is chosen.
- **Council's current per resident subsidisation is at the low end of regional city subsidisation.** This suggests there is an opportunity to increase audience sizes through more investment in both facilities and programs.
- Although some comparable performing arts venues have succeeded in attracting private sector support for new venues, **this might be limited in the future given low levels of expected economic growth.** However, there is the prospect of support from less obvious public and private sector organisations, including the education and health sectors interested in developing **strategic community partnerships.**
- **In summary, this review has confirmed that there is a need to expand and enhance the performing arts facilities in Latrobe City.** Once the criteria considered in this review are taken into account, the Traralgon option presents the more appropriate site, particularly in the view of potential funders and the experience of the sector as a whole. However, there are gaps in the evidence supporting the development of the facility as specified in the original work, particularly in view of changing conditions in the wider region. A set of recommendations (Section 10) proposes the way forward on this project.





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## 1.0 Introduction

As eastern Victoria's main regional centre, there is a strong case for Latrobe City hosting a regional performing arts and convention centre, both to meet growing local demand and to attract new events and activities, which are central to the City's tourism opportunities.

Latrobe Council resolved to review the 2009 Latrobe Performing Arts and Convention Centre LPACC Feasibility Study ("the Feasibility Study") and the 2012 Morwell LPACC Business Case ("the Morwell Business Case") in expectation of funding applications to State and Federal Governments supporting the development of a new facility. This report reviews the feasibility of the options outlined in the 2009 Feasibility Study (i.e. a facility in either Traralgon or Morwell) and draws upon the 2012 Business Case for additional analysis and material, where relevant. It considers:

- Community sentiment (drawn from focus groups, public listening posts, one-on-one stakeholder discussions and an online survey);
- The optimal location for the facility;
- Capital and operational costs;
- The optimal business model;
- Site constraints;
- Potential joint ventures or naming rights; and
- A review of basic concept designs and footprint.

This report also considers options and makes recommendations with respect to steps required to progress this project.



## 2.0 Context

The context for the development of the Latrobe Performing Arts and Convention Centre (LPACC) has been discussed in detail in the earlier work. This section updates the information where there has been a substantive change in conditions.

### 2.1 The strategic context

There is a strong policy basis for the provision of a major performing arts and convention/function facility in Latrobe City. Specifically:

- Latrobe City is recognised by State Government as the regional city servicing the entirety of eastern Victoria, and requiring regional-scale facilities;
- The Gippsland Regional Growth Plan (RGP) recognises that *“Access to art galleries, performing arts centres and major sports facilities is important to meet the needs of a regional community to help provide more diverse cultural experiences, and to attract and retain a broader range of social groups.”* (p68). It is also important to note that the RGP goes on to say: *“Planning and programming of activities at these facilities needs to be coordinated, providing tourists and residents with a more diverse offer that encourages extended visits.”* (DTPLI, 2014: 68);
- Latrobe City’s Community Vision (Latrobe 2026), envisages an increase in the number of arts and cultural facilities in the region and aspires to ensure cultural facilities and events are accessible for all people. Moreover, it is acknowledged that the number of major and community events should be increased to reflect Latrobe’s position relative to other regional centres. The Vision’s objectives are also reflected in the Council Plan;
- Destination Gippsland’s Gippsland Business Events and Conference Market Study endorses the development of an integrated performing arts and convention centre in Latrobe City to support the growth in expected demand for conventions and business functions in the region; and
- The City’s Economic Sustainability Strategy aligns with the Destination Gippsland study, supporting the development of the business tourism market through the provision of a conference centre and accommodation.

In addition to this, the expected population growth in the region warrants further investment in cultural facilities and services. This is broadly acknowledged by the State Government, as is the fact that Latrobe City has also fallen behind other regional cities, and some smaller cities, in its level of investment.





## 2.2 Community and stakeholder sentiment

Community and stakeholder consultation for this review included focus groups, listening posts, one-on-one interviews, and an online survey. Broadly speaking the views expressed matched those raised in earlier studies. The summary below concentrates on additional information provided and/or confirmation of earlier views and is organised into the main themes discussed.

### *Existing infrastructure is inadequate*

- Most stakeholders (e.g. performing arts groups, school groups, Creative Gippsland and Council representatives) noted that none of the existing facilities were purpose-built performance/conference spaces.
- The most significant problems cited were the limited dressing room and backstage space; poor seating (in terms of safety, access and comfort); and insufficient maintenance. Overall, there was consensus that the existing venues are not adequate to continue supporting high quality events.
- There have been some refurbishments since 2012, notably in the LPAC bar area and in some lighting and communications infrastructure across all sites, but this has not substantially enhanced functionality.

### *Recent investment in other facilities has changed demand*

- Demand from schools has decreased since the 2009 Federal Government stimulus spending, which funded the construction of school-based and relatively well-equipped performing arts spaces (e.g. the McDonald Road Auditorium in Morwell).
- School venues do not have professional venue management staff and can suffer conflict of use issues, but they are viable alternatives for community use and are often promoted as such under the schools' charters. For example, the Moe Eisteddfod has recently moved from the Council-run Moe Town Hall to the Lowanna College Auditorium in Newborough.

### *Community performing arts groups want better facilities*

- Community performing arts groups are not seeking additional auditoria capacity, but rather, more versatile and better-maintained facilities. Many groups said they already felt 'priced out' of Council facilities and had sought alternative locations.
- Community performing arts groups had, however, little realisation that they may need to pay more for the additional functionality that new facilities would provide.

### *Convention centre providing thrust to the project*

- There was general optimism that the incorporation of convention/conference centre services in the proposal had the potential to attract significant revenue from outside Latrobe City as a result of a perception that the conference sector is growing; there are few facility options in eastern Victoria; and that, with effective and targeted promotion, there is an opportunity to attract events and conferences to Latrobe City.



- The flat floor venue at Federation University in Churchill, built in 2009, is being used for larger events. Other than this, there have been few material developments in events and conference infrastructure in recent years and there are still few facilities in the wider region.

### ***Broader (listening post) community comments***

- The changing population in Latrobe, including a growing multicultural population, is raising expectations about access to better cultural facilities.
- As the regional city, Latrobe should offer facilities at least as good as Sale and Warragul. This is currently not the case.
- Refurbishing existing facilities may be a waste of money as they are not fit for purpose and retro-fitting can be more costly than new builds.

### ***No change in views on the best location***

- The position of stakeholders on the relative merits of Traralgon and Morwell has not changed. For example, Advance Morwell maintains the views expressed previously in support of the Morwell option. Traralgon residents and stakeholders generally support the Traralgon option.
- It was acknowledged that both sites have access issues. Morwell is very dependent on car transport and Traralgon can suffer from a shortage of parking.

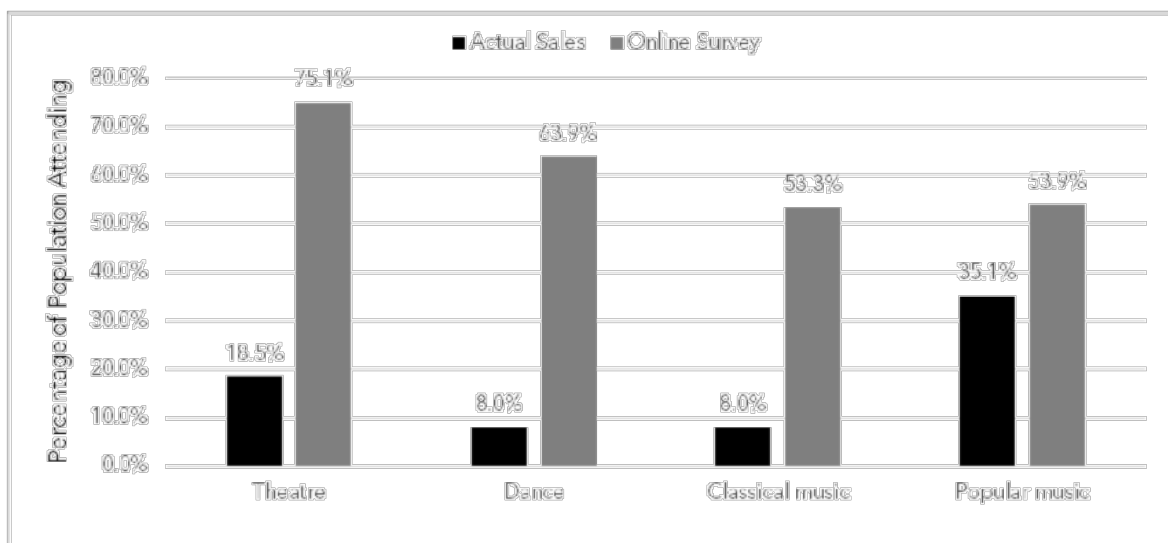
## **2.3 Online survey results**

- As Figure 1 shows, the online survey did not return a statistically significant sample from the Latrobe City population. Only 9% of all respondents indicated they had not attended any arts activity anywhere in the last 12 months and participation rates amongst survey respondents for some art forms were up to eight times higher than for the general population. This means the results reflect the views of those Latrobe City residents **who are already highly arts-engaged**.
- A more representative sample of the community could be obtained via a telephone survey. This should consider some of the issues not explicitly covered in the online survey, or in the community consultation, including the relative merits of the two sites in Traralgon and Morwell, and willingness to pay for enhanced facilities. A representative survey would provide useful evidence for a business case.
- On the basis that the survey reflects the views of residents who regularly attend the various cultural facilities in Latrobe, the key findings, from 709 respondents are:
  - 632 respondents in favour of a new facility (89%). 'Being able to put on shows not available at existing facilities' was the main reason for their support (92% of these respondents). The next main reason was 'adding value to the local economy' (389 respondents, or 64%)
  - Of the 77 who do not support the project, 47 (72%) say there are more important needs for Latrobe and 42 respondents (64%) say the City is already well provisioned with performing arts spaces



- When asked whether they would support a refurbishment of existing facilities, of the 691 who answered, 419 (60%) said yes
- 642 respondents (91%) said they had attended an arts and cultural performance in the last 12 months (close to six times the average for regional Victoria – indicating the dominance of arts-engaged residents in the survey sample)
- The main reason for lack of attendance is 'not being interested in the type of performance available' (50% of non-attendees). This is followed by the 'venue not being appropriate' (34% of non-attendees)
- Respondents believe the most important factor Council should consider in deciding to develop a facility was convenience and availability of parking (627 or 93% said this was 'very' or 'somewhat important'). This was followed by 620 respondents citing the needs of the performing arts community (92%).

Figure 1 Comparison of Online Survey and Resident Profiles



Source: Latrobe City, 2015; Geografia, 2015

## 2.4 Industry context

One-on-one interviews were undertaken with representatives of relevant peak bodies and managers of other performing arts venues in regional Victoria<sup>1</sup>, some of which have recently completed major building projects. The key themes from these discussions were:

- **Collaboration** is increasingly part of the operation of regional facilities. This includes with producers and other venues. The recently formed Theatre Network Gippsland is an example of how previously informal arrangements are becoming more structured.

<sup>1</sup> A list of stakeholders was provided by Council for this exercise.



- **Funding of new facilities** is now often considered in light of other facilities in the region. Avoiding duplication and ensuring that a good range of performance spaces are available were key considerations in the funding and development of the Wangaratta Performing Arts Centre and the Cube Wodonga, both of which now operate under a formal MOU with other theatres in Albury.
- **Touring** is required of many state or federally subsidised companies, yet funds for touring are limited and are perceived to have fallen. As a result, shows are increasingly being packaged for tour in a reduced version from that seen on the main stage. This can lead to a sense that regional venues are presenting a 'lesser' product. On the other hand, this means that the technical demands of touring companies are lower and they are prepared to work with less well-equipped venues to deliver a tailored product. Digital staging (with less reliance on physical scenery and props) is also increasing and theatres need to be able to respond to this expectation.
- **Commercial product** is available at a price but generally focuses on comedy, physical theatre, popular music (including 'tribute shows'), and children's theatre. Producers are cost conscious and require high quality, responsive facilities of a homogenous standard.
- **Audiences for regional performing arts venues** are built and developed through strong, diverse and well-funded programming, combined with community use and commercial hires. In many cases this will be more critical to the achievement of outcomes than the building itself, as long as there are no material service shortfalls.
- **Tourists** are not a reliable audience base for the performing arts, even in larger regional cities such as Ballarat, Bendigo and Geelong. Audiences are usually drawn from the immediate locality and proximate catchment area.
- **Animation** of performance venues through active day-time use is considered an essential part of building community engagement. A vibrant and accessible street frontage and the use of foyer spaces for exhibitions and the provision of good café facilities were all seen as important elements of a strong activation strategy.
- **Functions and conferences** are now a core part of the business of any regional theatre and the technical and service demands of hirers are growing, particularly for audio visual and onsite catering. Any conference business that is routinely expecting numbers in excess of 400 visitors is unlikely to be well served by a performing arts venue and a separate facility should be considered. The availability of well-located and good quality hotel accommodation, restaurants and entertainment are now critical to the success of any large conference/events facility.
- **Funding applications** for new venues are rigorously scrutinised to ensure that the business case is well made and soundly based. In particular, funders will look for evidence that the broader regional provision has been considered and that demand and revenue projections are reasonable.



## 3.0 Understanding Demand

Analysis supports the findings of the Feasibility Study: that there is a greater level of demand for performing arts in Latrobe City and surrounding areas than is currently being met by existing venues.

### 3.1 The market for cultural attendance

Performing arts venues have often been constructed without due consideration of the actual audience demand, or the availability of sufficient programming content. In times when the competition for capital funds is intense, this is not a prudent approach and can leave a community with an expensive facility does not meet their needs. This is well summarised in *Oh You Beautiful Stage*, the core resource for those in Victoria planning new performance spaces:

*“The size of a theatre should be determined by market analysis identifying an audience size suitable for the performing arts ‘market’ that exists or can be expected to develop in the local community over the life of the facility, assuming energetic management.” (VAPAC, 2012)*

To date, Latrobe City has attached an appropriate level of importance to estimating demand, particularly in respect of performance attendees. The Feasibility Study found that *“the number of performance experiences ... in Latrobe is significantly less than the demand for performance experiences”*.

Our analysis assumes there is a market for arts performance in a catchment area that extends beyond Latrobe City. This ‘market size’ is defined as the total number of attendances by residents in the catchment area to all arts performances, whether in Latrobe or elsewhere, and in both public and commercial venues. It has been calculated using a combination of ticket sales, the ABS cultural participation survey, and population growth projections for the catchment area<sup>2</sup> (Figure 2). Scenarios both with and without the LPACC are shown and it is assumed the new venue will trigger greater interest in attending arts events, enhanced by an active audience development program.

<sup>2</sup> Details on how it was calculated are provided in Appendix 1.



Figure 2 Total Estimated (mean) Market Demand

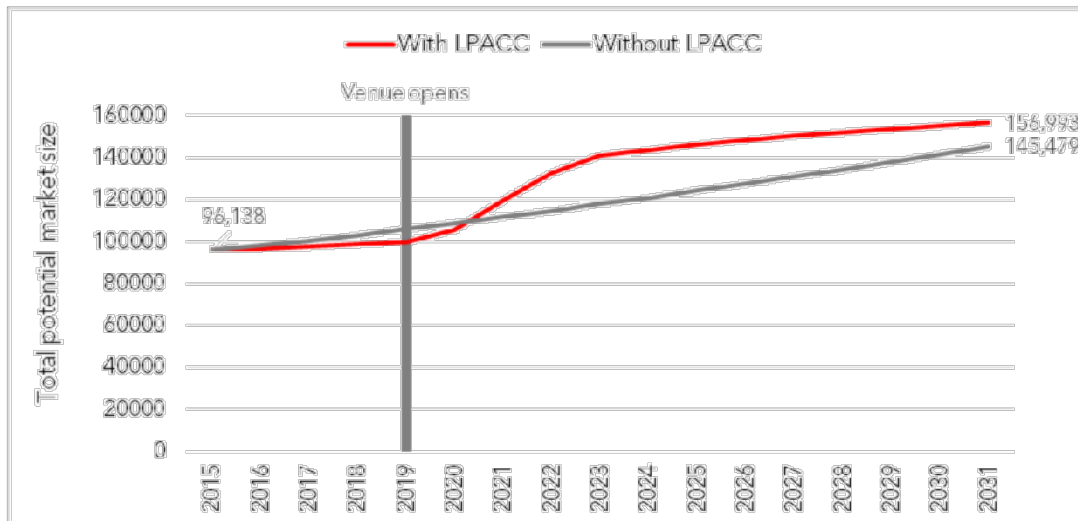


Figure 2 shows the estimated number of individual visits to arts events from residents in the assumed LPACC catchment area. The chart only shows mean values. The full probability ranges have been used in the analysis and the chart showing total potential market size is provided in Appendix 1. Source: Geografia, 2015

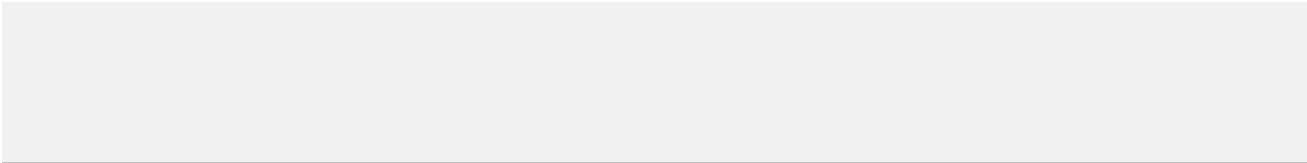
The assumption that there is a much greater level of demand for arts and cultural performances in Latrobe than is currently being met (and measured through ticket sales) is supported by the Feasibility Study and, indirectly, by other data. For example, according to Baw Baw Shire, around 23% of ticket sales to selected 2014 musical performances at the Warragul Performing Arts Centre were to Latrobe residents. This suggests there is scope, at least, for improving the capacity to host musical performances in Latrobe City.

### 3.2 Growing Latrobe City's share

It has been assumed that the new venue and active audience development results in a greater share of the total market (shown in Figure 2) going to Latrobe City venues. This has been estimated for three scenarios:

1. A **conservative** growth rate averaging 5% per annum (albeit with a spike in the early years of the new venue). This leads to a peak of about approximately 15% of total demand being captured by 2023 (up from 14% currently), peaking at 17% in 2031. This broadly matches the recent growth in ticket sales for Latrobe City venues (which showed total growth of approximately 25% in the five years from 2009 to 2014).
2. A **mid-range** estimate which assumes an average growth rate of 7% per annum, leading to 22% of the total market demand being met in the Latrobe venues by 2023.
3. An **ambitious** scenario which assumes an average growth rate of 8.5% per annum, leading to 32% of the total market demand being met by Latrobe venues by 2023.

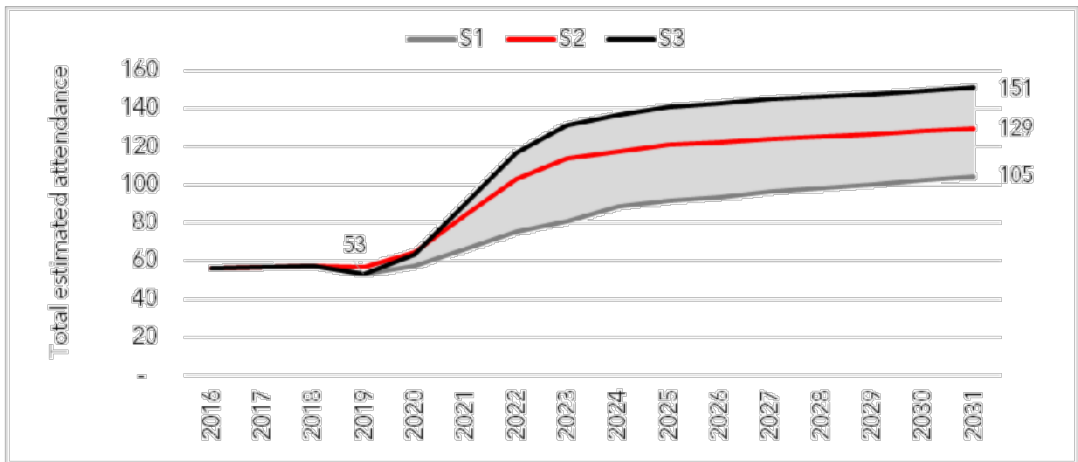




### The variation in demand between Morwell and Traralgon

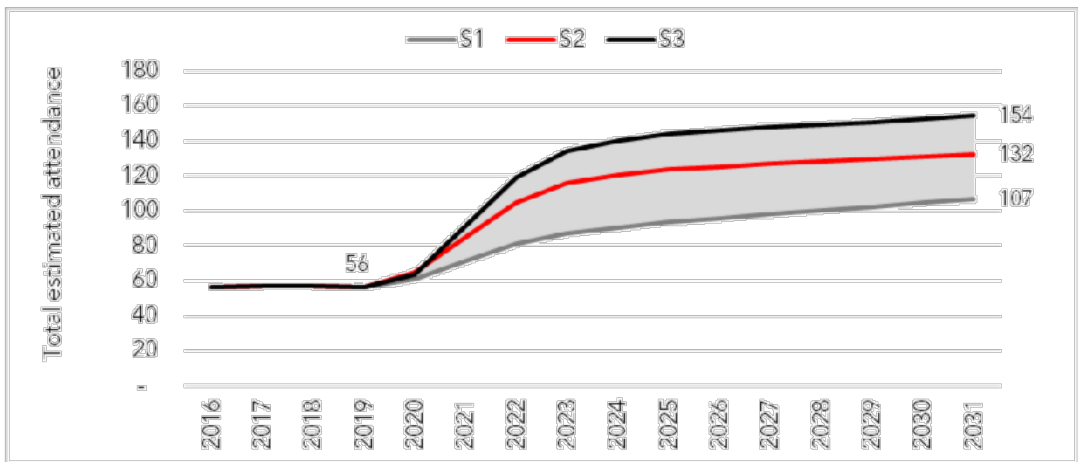
There is a slight variation in demand projections for the Traralgon and Morwell options. The assumption is that a Traralgon venue generates between 1.8-2.2% more visitations. This is mostly due to the notably higher propensity for arts and cultural activities amongst Traralgon residents. Details of how this was calculated are provided in Appendix 1. Total projected demand (performances and attendance) under the three scenarios for each site option is shown in Figure 3 to Figure 6. They include the three scenarios (S1 to S3) with the understanding that the likely outcome will fall somewhere between these figures.

Figure 3 Total Estimated Performances – Morwell Option



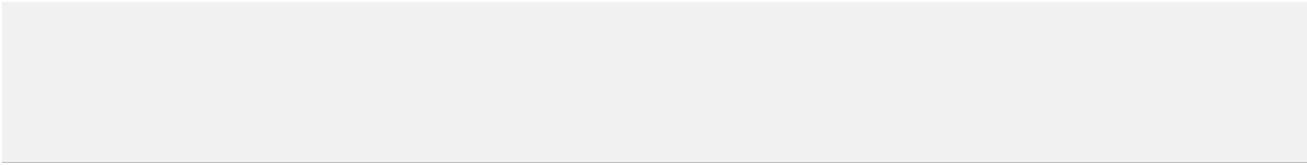
Source: Geografia, 2015

Figure 4 Total Estimated Performances – Traralgon Option

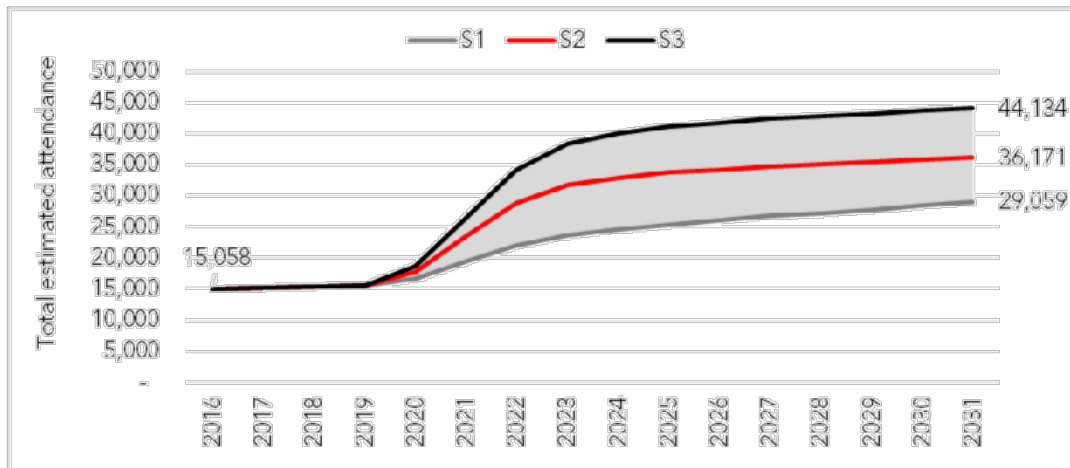


Source: Geografia, 2015



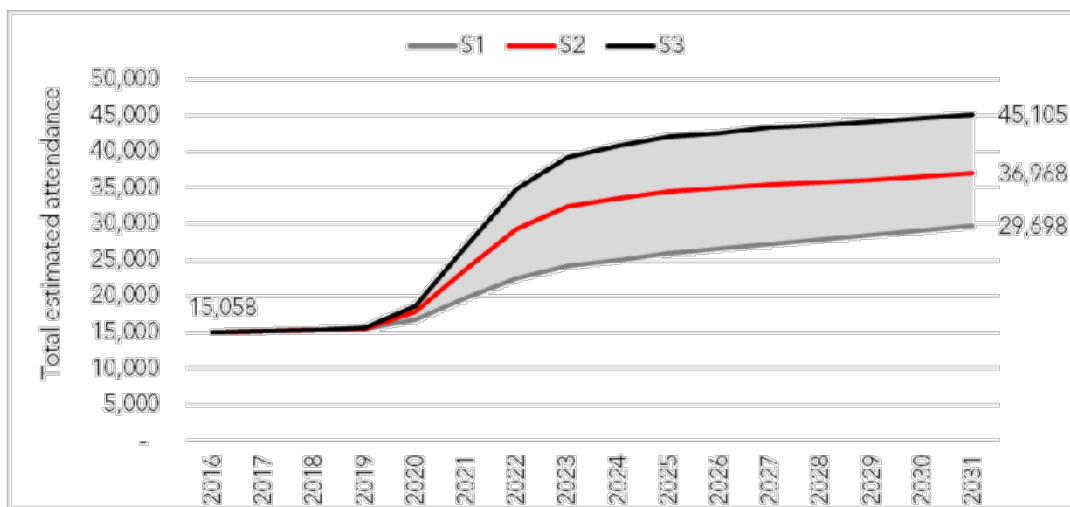


**Figure 5** Total Estimated Performance Attendance – Morwell Option



Source: Geografia, 2015

**Figure 6** Total Estimated Performance Attendance – Traralgon Option



Source: Geografia, 2015

### 3.3 Uncertain demand for functions and events

Quantifying the potential demand for non-performance functions is subject to an even higher degree of uncertainty than for arts performances. Most events are either community meetings or commercial events where venues are hired on an *ad hoc* basis and attendance figures are not always available. However, Latrobe City’s hire rates and the research





undertaken by Destination Gippsland (2013) provide some measures which have been used to estimate this activity for Latrobe City. Specifically:

- Latrobe City venues are currently accommodating about 160 functions and events each year<sup>3</sup>;
- The majority of these bookings (~80%) are community meetings;
- Most events in Gippsland are likely to remain small (under 120 attendees);
- Most functions are one-day or less in duration;
- Expenditure is \$150-\$300 per attendee for conference packages, with an additional \$150-\$200 for accommodation; and
- The market expectation is that State-wide function demand will slow and that activity in Gippsland will follow this trend. The majority of survey respondents to the Destination Gippsland study (60%) said they would be unlikely to run any business events or conferences in Gippsland in the next few years.

While prospects for increasing the number of events is modest (particularly as Latrobe City is more than 1.5 hours from Melbourne), it is recognised that a combination of interventions may help to drive growth. This includes improving accommodation, cultural opportunities and transport services. Additionally, as most demand is from the local area, underlying population growth is likely to stimulate some increase in activity.

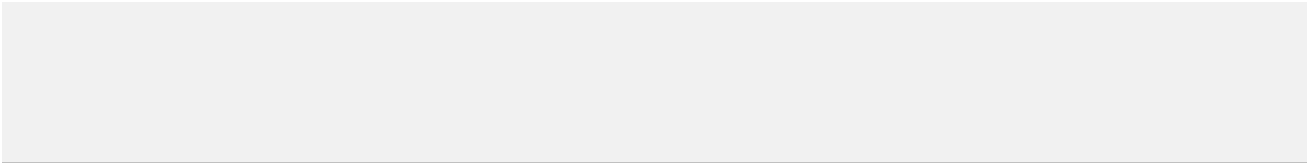
It is worth bearing in mind that there is currently no developed business case for conference/events industry in the region. Moreover, several points were made in the Destination Gippsland study that need to be considered:

- Dedicated conference facilities are more suitable than multipurpose venues;
- Demand for conference destinations is greater in iconic locations;
- The Traralgon site would be considered reasonably suitable for a new venue as it is in the centre of major business centres with a large population base;
- Demand is likely to be strongest for venues that can cater for 150 – 300 delegates;
- High quality, flexible accommodation, catering and technology are essential; and
- Ancillary activities are necessary attractors (e.g. golf, swimming).

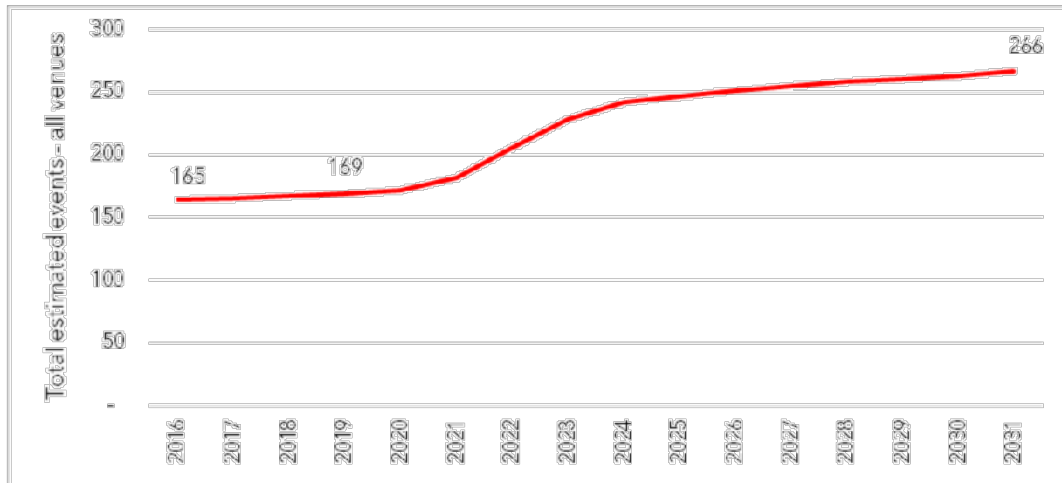
With this in mind, events demand has been modelled conservatively, with growth tied to regional population growth. Figure 7 shows the mean trajectory of events for all Latrobe City venues to 2031. The difference between the options for the Morwell and Traralgon sites is negligible.

<sup>3</sup> Although the average number of attendees per event is 190, this is heavily skewed by one or two events at Kernot Hall with large numbers as the majority of events are small, with fewer than 20 attendees.





**Figure 7 Total Event Estimates – Morwell and Traralgon Options**



Source: Geografia, 2015

Forecasts for events and functions have been based on findings from the 2013 Destination Gippsland study and growth constrained to match that of the regional population increase. As convention and function activity is sensitive to broader economic conditions, it has been assumed that prospects over the short-medium term are uncertain, so while the model calculates a significant increase post the opening of the new facility, growth thereafter is modest.

Given the high degree of uncertainty about this sector’s appetite for growth, it may be worthwhile undertaking a survey of regional businesses to gauge interest and/or plans. This may reveal untapped potential for event growth.



## 4.0 The Building and its Location

As identified by the previous two studies, the 2015 review confirms the gaps in existing performing arts facilities in Latrobe City. When deciding the location of a mixed-use performing arts venue of the scale currently being considered, the Traralgon “in town” site is very likely to be more successful in building an audience and stimulating local economic activity than the “edge of town” location in Morwell.

### 4.1 Current provision

The current performing arts facilities in Latrobe City have not changed significantly since 2009. Since that time, there has been a steady program of modest refurbishments (Table 1).

**Table 1** Current Performing Arts Provision

| Location  | Description   |
|-----------|---|
| Traralgon | Latrobe Performing Arts Centre (LPAC) comprising the Little Theatre (227 seats, raked auditorium, elevated stage and part fly tower); Town Hall Theatre (401 seats, retractable seating, elevated stage, no fly tower); associated backstage, front of house and administrative areas |
| Morwell   | Kernot Hall comprising the Main Hall (864 seats, elevated stage, flat floor auditorium, no fly tower) and Foyer (function space for approx. 100 people); associated backstage, front of house and commercial kitchen  |
| Moe       | Moe Town Hall (402 seats, elevated stage, flat floor auditorium, no fly tower); associated backstage, front of house and commercial kitchen   |
| Other     | Various other sites in Latrobe City are managed through the performing arts department but these are not considered material in terms of capacity or usage  |

### 4.2 Gaps in current provision

The Feasibility Study and Morwell Business Case identified several gaps in the then current provision, both in terms of responding to the potential requirements of commercial and community hirers, and of supporting a varied range of self-programmed events. These gaps have been largely validated in this review.

It must be emphasised, however, that these gaps have not been confirmed through a rigorous market analysis (particularly in relation to commercial function demand), or as part of a wider Master Plan for Latrobe City’s arts facilities. The City is currently developing an



Arts and Culture Strategy which should be used to underpin any potential investment in new facilities, which should be considered as part of a 'Master Plan' for provision.

The Gippsland region includes facilities that provide some of the functionality perceived to be missing in Latrobe City (notably at Sale and Warragul). Therefore, it would be advisable for any Master Plan to take these facilities, and their current development plans, into account. This will ensure that the regional collaboration, which is a key feature of current programming, is mirrored in facility development. It is likely that this approach would be encouraged by both Creative Victoria and RDV and was a key driver behind the recent development of the Cube at Wodonga. Here it was ensured that the new facility complemented, rather than replicated, existing facilities in Albury and Wangaratta.

A good illustration of this is that one performance space will rarely meet the varying needs of classical music, contemporary music, and speech (unless variable acoustics are installed, which come at a significant cost). Across a wider region, however, a portfolio approach to venue management could achieve a range of acoustic provision, meeting audience demand without compromising the acoustics in any one venue.

Table 2 summarises the current main gaps in the Latrobe City provision with an outline of their key perceived consequences.

**Table 2 Key Gaps in Current Provision**

| Gap             | Consequence   |
|-----------------|---|
| Auditoria       | The Town Hall Theatre's capacity of 401 is below that which is considered viable for regional theatres (>500, VAPAC, 2012) and, as a result, the venue is unattractive for commercial touring and co-presentations. Kernot Hall, as currently configured, is only suitable for certain physical theatre, children's and musical performances which use a flat floor auditorium                                |
| Seating         | The Town Hall Theatre's retractable seating, whilst flexible, is not favoured by some community groups and older audiences  |
| Orchestra Pit   | No venue has an orchestra pit considered desirable for some community use and for choirs with orchestras. A pit which can be raised or lowered also allows the stage apron to expand or contract providing greater flexibility in staging and the opportunity to change the feel of the auditorium  |
| Stage Elevation | All the current stages are elevated and although a flat floor stage can be created in the Town Hall Theatre (by retracting the seating) and the stage itself can be used as a shared audience and performance space, these opportunities are limited. As a result, there is limited provision for the programming of more experimental, intimate or workshop-based theatre                                    |
| Backstage       | None of the current spaces have adequate backstage facilities; wings are narrow (or non-existent); and there is limited capability to fly scenery and store props and equipment. Dressing rooms have poor amenity although are adequate in size for all but the largest community users. Taken together, these drawbacks limit both commercial touring opportunities and also the range of programmed content |



| Gap  | Consequence   |
|--|---|
| Heating, ventilation and air-conditioning (HVAC) | This is not considered universally effective across all venues for all periods of the year, particularly the warmer months. This has an adverse impact on audience, and performer, amenity  |
| Acoustics  | The quality is mixed across the facilities and, in general, not of the quality to support high quality classical music performance. It should, however, be noted that recital-hall quality is rarely found outside capital city venues  |
| Function Spaces                                  | Whilst Kernot Hall is suitable for some large-scale events and functions, overall there is limited capacity to service receptions, private celebrations, meetings, seminars, training events and small conferences with 20-500 attendees. It should be noted that no detailed demand analysis of this market has been completed |
| Catering Facilities                              | Catering provision is limited with no re-heat facilities, and no commercial kitchen at LPAC in Traralgon. A viable functions business requires investment in these areas  |
| Retail Catering                                  | There is no permanent café facility in any of the venues and, as a result, there is no opportunity to generate revenue or provide a useful vehicle for day-time animation of the performance spaces   |
| Foyer Spaces                                     | Apart from Kernot Hall, these are generally limited, restricting audience circulation and the potential to use these spaces both as a revenue-generator (through function hires and bar sales during performances) and an exhibition space to encourage day-time visitors   |

The above analysis assumes that the parallel development of a functions and events business is a core part of a performing arts facility and that this 'mixed-use' model is practically achievable. This is certainly supported by the experience of other Victorian regional venues and the vast majority of facilities developed in the last decade have included this capability in their scope<sup>4</sup>. A recent survey of attendees in Victorian performing arts venues found that non-performance attendees made up between 13% and 81% of total attendees, averaging 40% (VAPAC, 2010).

This reflects not only the imperative to diversify and capture different revenue streams, but also the fact that functions attract a broader range of the community, bringing a welcome animation of spaces during the day time. A survey by VAPAC found that of the 29,026 events run by those responding, 17% were conferences and seminars, 17% were community or private functions, 58% were workshops or classes, and 8% related to other events (VAPAC, 2013).

This mix illustrates that large-scale conventions and expos are not the core business of regional performing arts facilities but that conferences which can be accommodated within existing auditoria and auxiliary spaces are an important part of activity.

<sup>4</sup> This is different from the model in metropolitan facilities where the core purpose is invariably the performance capability and the use of spaces for functions and events is seen as pragmatic leverage of unused assets to generate additional revenue, as long as this does not conflict with the primary use. This reflects the fact that metropolitan sites are clearly in competition with a highly developed and sophisticated conference, convention and events industry.



### 4.3 Potential locations and site constraints

Having confirmed the need for a new facility to address the gaps identified in the previous section, the Feasibility Study reviewed a range of possible sites in Latrobe City. Of these, only the sites in Traralgon (corner of Kay and Church streets) and Morwell (adjacent to the current Kernot Hall site) were considered worthy of further consideration. This review has not identified any other sites which should also be considered. In both cases it was assumed that the land was readily available for the potential redevelopment and was free of any inherent issues relating to soil contamination, asbestos, poor drainage or ownership.

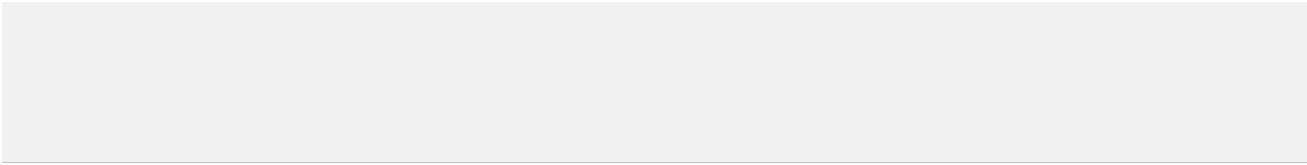
The Feasibility Study did not make a clear recommendation as to the preferred site and the Council subsequently decided to proceed with the Morwell Site. For the purposes of this review both sites are being reconsidered. Table 3 provides a summary of some of the key criteria that should be taken into account when assessing the location of a mixed-use performing arts venue. This has been developed from industry guidance (VAPAC, 2012), the issues addressed as part of the Feasibility Study and Morwell Business Case, and the practical experience of industry practitioners interviewed for this study. The conclusions are not definitive but should be considered as part of a broader discussion of the relative merits and demerits of each option across a range of criteria (see Section 9).

**Table 3 Key Location Criteria (Morwell and Traralgon Sites)**

| Location Criteria  | Morwell        | Traralgon |
|--|----------------|-----------|
| <b>Performing Arts Venue Key Criteria</b>                        |                |           |
| Street frontage, visibility & marketing presence                 | L              | H         |
| Potential for daytime animation including foot-traffic           | L              | H         |
| Co-location with other day and night-time activities             | L              | H         |
| Adequate loading access and standing space for trucks            | H              | S         |
| Viable café/restaurant site for animation and revenue generation | L              | S         |
| Active local performance groups (amateur and professional)       | L              | S         |
| Local visitor catchment >20,000                                  | S <sup>5</sup> | S         |
| Extended visitor catchment >100,000 (within 1 hour)              | S              | S         |
| <b>Functions Venue Key Criteria</b>                              |                |           |
| Access to main roads/highway                                     | H              | S         |
| Reliable telecommunications services                             | S              | S         |
| Convenient accommodation and non-venue F&B provision             | L              | S         |
| Proximity to tourism attractions                                 | S              | L         |

<sup>5</sup> Whilst our demand analysis indicated that Traralgon residents were more willing travellers to events in Morwell than vice versa, the difference is considered immaterial in determining the catchment area although it has been factored into the revenue projections in Section 7 and the computation of economic impact.



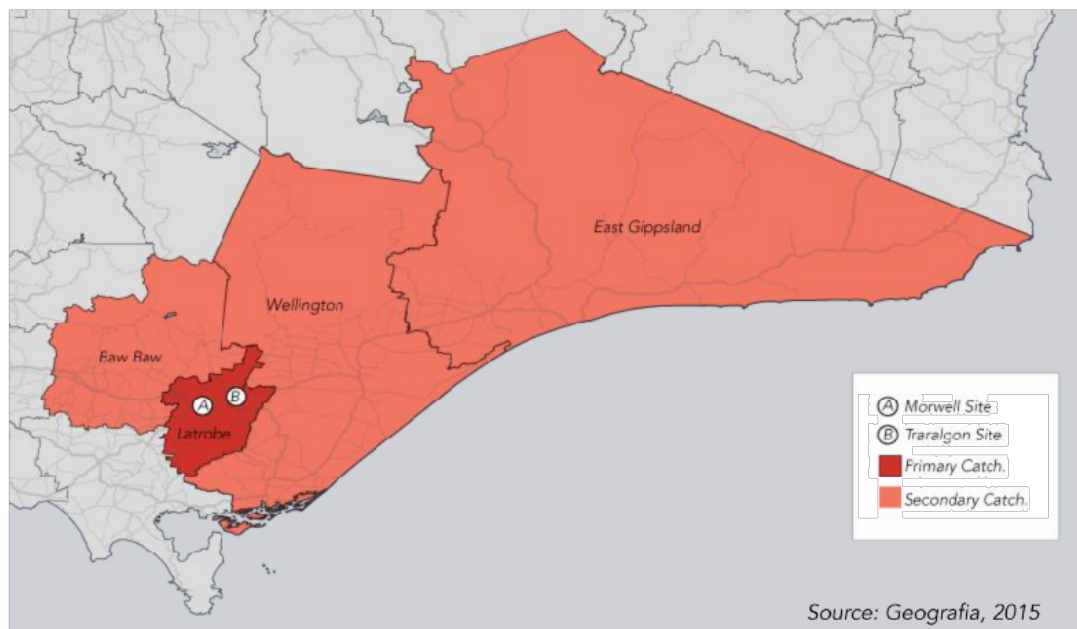


| Location Criteria                                     | Morwell | Traralgon |
|---|---------|-----------|
| <b>Both Performing Arts and Functions Venue</b>       |         |           |
| Reliable public transport, day and night <sup>6</sup> | L       | L         |
| Convenient and adequate car parking                   | H       | S         |
| Safe and secure for visitors and their property       | L       | S         |
| Attractive local amenity and outlook                  | H       | S         |
| Capable of future expansion                           | H       | L         |

Key: H – Highly Suitable; S – Suitable; L – Less Suitable

Some of consultation comments made reference to the fact that the Morwell site is at the geographical centre of Latrobe City. However, it is important to take into account the broader catchment area, for both performance and function attendees. Current box office data indicates that most of the non-Latrobe attendees (around 10%) come from Baw Baw Shire, Wellington Shire and East Gippsland. This means Traralgon and Morwell are in broadly similar geographic position in respect of their potential markets (Figure 8).

Figure 8 LPACC Primary Catchment Area



<sup>6</sup> It is reasonable to conclude that, in the case of a Latrobe venue, public transport access is a minor consideration in view of the limited schedules.



Overall, the Morwell option has the characteristics of an 'edge of town' site and Traralgon, an 'in town' site. While successful venues (for both performance and functions) can be run in both locations, industry experience indicates that there is more risk with 'edge of town' sites and a need for particularly active programming and promotion to maximise community interest and use. This is certainly consistent with the views of both Creative Victoria and RDV, as expressed during current and previous consultation. **On this basis, Traralgon should be considered the preferred site for the proposed construction of a new mixed-use performing arts facility.** That said, the Morwell site does have relative strengths in access and scale and provides greater potential for future expansion.

It is very unlikely that, in the foreseeable future and based on current demographic projections, Latrobe City would have the need for a mixed-use performance facility larger than the 500-seat theatre currently proposed (see Section 5.1). If, however, a separate case were to be made for developing a larger dedicated event and convention centre (i.e. > 1,000 seats), the more expansive Morwell site, with the existing Kernot Hall infrastructure, good parking, and proximity to Gippsland TAFE, would clearly be more suitable<sup>7</sup>.

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<sup>7</sup> An example of such need is the forthcoming AusTimber conference. This is expected to attract over 15,000 delegates to Latrobe City with events spread across many sites and sourced from neighbouring Council areas, as Latrobe City's own hotel capacity of around 3,000 beds is insufficient to meet this demand. This also illustrates the need for a large-scale events strategy to take into account wider issues of amenity, accommodation and access.





## 5.0 Capital Costs

Cost plans have been updated for both sites assuming a tender date of 2017 and an opening year of 2019/20. Total costs are broadly similar for both sites, estimated at almost \$17 million, an increase of approximately 40% since 2009.

### 5.1 Current designs & footprints

The Feasibility Study provided indicative designs (Appendix 2) for a new mixed-use performing arts space at the two preferred sites, and related cost plans. The Morwell cost plan was subsequently updated in 2012 and, at that time, the scope was extended to include additional façade works to Kernot Hall and the inclusion of a boardroom and re-heat kitchen in the new building on that site.

The current scope has also been extended to make an allowance for a commercial kitchen on the Traralgon site which appears to have been omitted from the original design but was referred to as an omission in the Feasibility Study. None of these changes are reflected in the designs in Appendix 2, although they have been reflected in the updated cost plans.

The Feasibility Study commented that, in order to provide car parking on the Traralgon site, it would be necessary to demolish the existing LPAC building, but this was not included in the cost plan. This has, however, been included in the updated cost plan.

These key elements of the two designs are summarised in Table 4. Both seek to address the gaps in provision identified in Table 2, although it is not entirely clear whether sufficient provision has been made for a flexible, small-scale flat floor performance space or whether this could be accommodated in the proposed Function Room. This should be revisited at a future Business Case stage.

The 500-seat specification for the main theatre is consistent with the Feasibility Study's finding that average seating capacity across 20 comparable venues was 450. Since then, two major developments have been completed: Wangaratta Performing Arts Centre with 520 seats and the Cube Wodonga with 400 seats. April 2015 saw the opening of a new 1,000 seat venue in Bendigo, the Ulumbarra Theatre. This is consistent with the provision in Geelong and Ballarat and reflects the fact that these are Victoria's three largest regional population centres, with significant catchment areas for performances and functions.

It should be noted that the original Traralgon design did not include any allowance for the refurbishment of the Kernot Hall as it is on a different site. That said, if Kernot Hall is to continue to be managed as part of the portfolio of Latrobe City venues, it is likely that some refurbishment will be needed to address the gaps identified in Section 4.



Table 4 Principal Design Elements

| Key Element          | Morwell Site   | Traralgon Site  |
|----------------------|--|---|
| Main Theatre Stage   | 3-star proscenium arch                               | 3-star proscenium arch                                    |
| Other                | Full fly tower and orchestra pit                     | Full fly tower and orchestra pit                          |
| Main Theatre Seating | 500 on two levels, with potential to close one level | 500 on two levels, with potential to close one level      |
| Function Room        | 600 seats (refurbished Kernot Hall)                  | 350 seats (no allowance for refurbishment of Kernot Hall) |
| Foyer Area           | 225 persons  | 100 persons   |
| Conference Room      | 60 persons   | 60 persons  |
| Green Room           | 30 persons   | 30 persons  |
| Café with terrace    | 40 persons   | 40 persons  |
| Kitchens             | Café, Commercial and re-heat                         | Café, Commercial and re-heat                              |
| Car Parking          | Per existing capacity                                | Created on old LPAC site                                  |

## 5.2 Summary of cost plans

Theatres are very expensive to build. It was observed in the United Kingdom in the 1990s that the average cost of a theatre construction was twice as high as that for an office block. In Victoria, a 3-star proscenium theatre such as that proposed for Traralgon/Morwell can cost between \$10 and \$18 million (VAPAC, 2012). The Horsham Town Hall Redevelopment which is currently underway is expected to cost over \$18.5 million although this also includes works to the art gallery. More modest projects such as the Wangaratta Performing Arts Centre and The Cube Wodonga have lower budgets (\$8-10 million).

One of the key cost drivers is the inclusion of a fly tower and views on their necessity are varied. It can be argued that they are essential for regional facilities and most of Victoria's regional cities have a venue with a fly tower. However, the two recent lower cost facilities in Wangaratta and at Wodonga did not include a fly tower. This was on the grounds that this capability was available elsewhere in the region. It is also arguable that, with the generally reduced scale of touring and the increased potential for digital staging, the absence of a full fly tower may not unduly restrict programming. The greatest users of the fly tower may well be local amateur groups who are based locally and have the ability to store scenery and other equipment.

*Oh You Beautiful Stage* (VAPAC, 2012) supports the inclusion of a fly tower or, at the very least, the inclusion of the fly tower envelope for later fitting out or ensuring the construction of foundations and building structure can support a fly tower as a later addition. If there is no fly tower, consideration would also need to be given to expanding the backstage area to store materials.



Quantity surveyors and construction cost consultants, Newton Kerr & Partners, were engaged to update the cost plans for Morwell and Traralgon first prepared in 2009. These are included in Appendix 3 and summarised in Table 5.

The following allowances have been made in the costs. These are considered consistent with best practice:

- Construction contingency at 4% of building costs;
- Consultant costs at 19% of building and renovation costs; and
- Equipment at 20% of building costs (the accepted rate for theatres).

**Table 5 Summary Cost Plans**

| Cost Element                            | Morwell Site<br>\$'000 | Traralgon Site<br>\$'000 | Comments  |
|---|------------------------|--------------------------|---|
| Performing Arts Centre Building         | 6,819                  | 8,423                    | Additional square metres of new build required at Traralgon for function space  |
| Kernot Hall Refurbishment               | 2,686                  | 0                        | Not included in Traralgon Cost Plan but see below   |
| Equipment                               | 2,443                  | 2,443                    |   |
| External Services                       | 477                    | 476                      |   |
| External Works                          | 880                    | 1,108                    | Includes estimated cost of demolishing existing LPAC and developing a new car park at Traralgon (cost difference between two sites relates to car park) |
| Contingency                             | 665                    | 623                      |   |
| Consultants Fees                        | 1,677                  | 1,569                    |   |
| Authority Fees                          | 70                     | 65                       |   |
| Escalation                              | 1,257                  | 1,177                    | Assumes 2017 tender date  |
| <b>Total Cost, per Cost Plan</b>        | <b>16,974</b>          | <b>15,884</b>            | Included in Appendix 3  |
| Commercial Kitchen                      | 0                      | 340                      | Equipment included above, this represents broad estimate of building cost, confirmed by Newton Kerr   |
| Kernot Hall Refurbishment               | 0                      | 500                      | Estimate only   |
| <b>Total Cost with Additional Terms</b> | <b>16,974</b>          | <b>16,724</b>            |   |
| 2009 Cost                               | 12,167                 | 11,884                   |   |
| Overall Increase                        | 4,807                  | 4,840                    |   |
| % Increase                              | 39%                    | 40%                      |   |
| Square Metres – New Build               | 2,165 sqm              | 2,674 sqm                |   |
| Square Metres – Refurbishment           | 1,696 sqm              | 1,696 sqm                | Partial refurbishment only of Kernot Hall assumed for the Traralgon site  |

Source: Newton Kerr & Partners; Geografia 2015

Overall, the costs for both sites are broadly similar once:



- Some allowance is made for refurbishing Kernot Hall even if the new theatre is sited in Traralgon. This is a broad estimate only;
- The costs of demolishing LPAC and extending car parking is included in the Traralgon option; and
- A commercial kitchen is allowed for on the Traralgon site.

Although Traralgon will require a greater area of new build, the Morwell option includes an extensive refurbishment of Kernot Hall at a higher cost per square metre. It is worth noting that, in this study, no examples were found where regional facilities were built with significant budget overruns. It is reasonable to conclude that there is some risk of cost overruns beyond the contingency allowed. The greatest risk is in relation to equipment costs and it is important to ensure that, once detailed planning has commenced, any escalating demands for equipment are carefully managed.

### 5.3 Indicative construction timelines

The Cost Plans assume a tender date of 2017. Table 6 provides an indicative timetable to completion assuming that a decision on the location is taken without delay and that the actual construction is consistent with the current scope. If the scope changes as a result of the completion of the Latrobe City arts and culture strategy, or as a result of responding to the recommendations of this review (Section 10), this timeline will need to be reviewed.

**Table 6 Indicative Timeline**

| Phase   | Length        | Complete By    |
|---|---------------|----------------|
| Complete Initial Planning, including Site Selection | 1-3 months    | June 2015      |
| Functional Design Brief                             | 2-4 months    | August 2015    |
| Business Case                                       | 2-3 months    | September 2015 |
| Confirm Funding                                     | 1-3 months    | September 2015 |
| Design and Tendering                                | 12- 21 months | June 2017      |
| Construction  | 12-24 months  | June 2019      |
| Opening Year  |               | 2019/20        |



## 6.0 The Business Model

A strategic approach to programming will be required to achieve attendance and revenue targets for a new venue. This must consider the relative risks and opportunities of self-programming; co-presenting; and external venue hire. It will be important to attract staff with specific industry knowledge and skills, and ensure new business areas are appropriately resourced.

### 6.1 Portfolio approach

Latrobe City currently manages its performing arts venues centrally, sharing resources across all areas of operations. This model is well tested and there is no reason why it should not continue with the addition of a new facility. That said, it is important that those charged with the day-to-day management of a key venue are based onsite and the final plans should ensure as much co-location as possible on the new site. Performing arts facilities are complex, with frequently changing usage patterns and a variety of patrons passing through each day. An effective management team is intimately connected with all these happenings.

Current initiatives to develop greater collaboration across the Gippsland region are vital to the success of all the venues. This could be formalised in a MOU, as has occurred in the Albury/Wodonga/Wangaratta region, and should be considered by the relevant Councils.

### 6.2 Programming model

It is important that sufficient resources are available for the new venue to invest in a diverse range of programming which meets a wide range of audience demand. To this end, the management team needs to maintain strong connections with the sector through the active membership of industry bodies. A budget should also be set to allow staff to attend relevant performances and events both in Victoria and nationally.

A program needs to balance not just audience demand but also the risks in respect of different business models. For example, commercial hires are low risk to a venue as they provide a guaranteed source of income but commercial hirers are demanding in their standards and negotiations, and the management team will need to have the skills to manage these relationships.

Own programming carries a greater risk but is generally seen as essential for growing a venue's reach, reputation and audience, and for building a sense of local pride in the venue. The most risky form of own programming is self-presentation. This risk could be mitigated



by co-presentation with a production company, and/or another venue, which might be part of the same tour.

A recent survey of Victorian performing arts centres (VAPAC, 2013) found that:

- 65% of performances were under third party hire arrangements (mainly community hire) – Low Risk;
- 19% of performances were bought in – Moderate Risk; and
- 14% were self- or co-presented – High Risk.

The strategy for the new venue will need to establish parameters for each performance-type and ensure that this is consistent with the risk appetite of Council.

Recent years have seen a greater investment in programming by Latrobe City, funded through both increased Council subsidisation and grants from Creative Victoria. This need was clearly identified in the Morwell Business Plan which concluded that the then “*current programming would not meet the [Creative Victoria] criteria for recurrent programming.*”

It is very important that this investment continues, and increases, in the lead up to the opening of a new facility. This will allow audiences to be nurtured and programming to be tested, reducing risk in opening programs, and increasing the likelihood that performance targets are met.

### 6.3 Managing different business streams

The proposed mixed-use venue will demand the development of the functions business as a reliable and well-serviced source of revenue. This shared model is common in other regional venues but new to Latrobe City. Larger venues may develop distinct teams servicing the performance and the functions activity. This has the advantage of specialisation and reflects that the various client groups may demand different management approaches. In any organisation, this runs the risk of creating silos and exacerbating the risk of conflicts over use.

In a relatively small venue such as that proposed for Latrobe City, it will be important to fully integrate the management of performances and functions, maximising the sharing of information whilst at the same time ensuring that specific industry knowledge and skills remain current and relevant.

It is critical that more mixed-use is supported by a reliable and highly usable booking system. Current systems will need to be assessed to confirm that they will meet this essential requirement.



## 6.4 Staffing structures

People will be key to the success of the new venue: “energetic and effective management can have much more influence on the viability and success of a venue than audience capacity” (VAPAC, 2012). Under any of the scenarios considered in the next section, the scale and complexity of the business is expected to be greater than it is at present. The number and mix of staff will need to change. This was envisaged in the Morwell Business Case. A proposed staff profile allowed for 13.6 ongoing FTEs; up from 6.45. It was also acknowledged there would be a need to increase capabilities in marketing, programming, technical operations and front of house, whilst recognising that a larger program (and a differently configured venue) would require increased expenditure on casual staff.

The Morwell Business Case did, however, assume that the revenue productivity of each FTE would fall from around \$50,000 to around \$35,000. The scenarios in Section 7 assume that revenue productivity will, at least, be maintained at the current level. For the purpose of estimation, this drives the total FTE required under each scenario. As a result, the number of FTE is expected to be in the range 9-12. This is lower than the Morwell Business Case which assumed, *inter alia*, the continuing operation of LPAC as a separate operation.

These are high-level staff projections, consistent with the illustrative staffing levels provided in *Oh You Beautiful Stage* (VAPAC, 2012), which provides a useful guide for the industry.

## 6.5 Contract management

A new venue will require contract negotiation and management skills. The more complex, technical demands of a contemporary performance space will introduce a wider range of service and maintenance agreements which will need skilled and effective management to ensure value for money outcomes. Any growth in commercial hire is highly dependent upon the facility maintaining its technical capability to the highest level and this, in turn, will depend upon ensuring high quality and timely services from suppliers.

The scenarios in Section 7 assume a growth in catering revenues, generated through out-sourced catering contracts. The challenges of managing such contracts cannot be underestimated. It will be important to develop a commercial model that balances the imperatives of the supplier and the service needs of the venue, and its visitors. This is critical not only to meet revenue targets but also to minimise the amount of management time that can be spent resolving issues with catering arrangements. It would be prudent to obtain the advice of a specialist in this area at an early stage.



## 7.0 Financial and Economic Impact

The review confirms the findings from earlier studies that the building of a new performing arts facility in Latrobe City would result in a net increase in total subsidisation by the Council, consistent with the experience of other regional theatre venues.

### 7.1 Current financial performance

Table 7 provides a high-level summary of the current direct operating revenues and costs of Latrobe City's performing arts provision, and Table 8 includes some high-level performance indicators. It does not include any allocation of costs and overheads in respect of services (e.g. finance, insurance) provided from other Council departments, or any expenditure incurred in respect of the renewal and replacement of capital assets. All financial figures have been rounded to the nearest \$'000.





Table 7 Financial Performance 2012-13 to 2014-15

|  | 2012/13<br>ACTUAL | 2013/14<br>ACTUAL | 2014/15<br>FORECAST | Comments   |
|--|-------------------|-------------------|---------------------|--|
| <b>REVENUE</b>                         |                   |                   |                     |  |
| Creative Victoria Grant                | 55,000            | 50,000            | 60,000              | Grant is designed to support programming initiatives. Reduction in 2014/15 reflected cross-program cuts at Creative Victoria. Funding levels have now been restored and increased to a level which is currently expected to continue |
| Venue Hire Fees                        | 220,000           | 251,000           | 226,000             | Reflects an average total revenue of \$1,300 per hire including recoveries of costs incurred, largely in Buildings and Facilities  |
| Ticket Sales and Similar Revenue       | 73,000            | 74,000            | 91,000              | Includes box office commissions and memberships as well as direct ticket sales   |
| Catering Revenue                       | 17,000            | 22,000            | 16,000              | Includes bar sales, related costs are included in expenditure. Overall position is thought to be at best break-even. There is limited catering revenue from functions  |
| <b>TOTAL REVENUE</b>                   | <b>365,000</b>    | <b>397,000</b>    | <b>393,000</b>      |  |
| <b>EXPENDITURE</b>                     |                   |                   |                     |  |
| Staff                                  | 443,000           | 435,000           | 461,000             | Includes casual staff which vary with performance requirements   |
| Programming and Promotion              | 115,000           | 131,000           | 128,000             | Reflects an increasing emphasis in this area to develop audiences  |
| Buildings and Facilities               | 248,000           | 273,000           | 290,000             | Includes cleaning, maintenance, utilities and costs recharged to hirers  |
| Other                                  | 40,000            | 37,000            | 39,000              | General office and administrative costs  |
| <b>TOTAL EXPENDITURE</b>               | <b>846,000</b>    | <b>876,000</b>    | <b>918,000</b>      |  |
| <b>NET COUNCIL SUBSIDISATION</b>       | <b>481,000</b>    | <b>479,000</b>    | <b>525,000</b>      | 2014/15 figure reflects a 34% increase on the 2012 amount of \$391,000   |
| Subsidisation per Attendee             | \$6.45            | \$11.14           | NA                  | Highly sensitive to number of attendees in Kermot Hall. Benchmarking has indicated range of \$1.82 - \$19.55 in sector (VAPAC, 2010)   |
| Subsidisation per Performance Attendee | \$38.73           | \$34.84           | \$27.93             | Reflects increasing numbers of attendees. Benchmarking has indicated range of \$0.52 - \$42.00 in sector (VAPAC, 2010)   |



**Table 8 Key Indicators 2012-13 to 2014-15**

|   | 2012/13<br>ACTUAL | 2013/14<br>ACTUAL | 2014/15<br>FORECAST | Comments  |
|---|-------------------|-------------------|---------------------|---|
| Total Performance Attendees                             | 12,422            | 13,748            | 18,800              | This has shown steady growth since the 2008/09 figure of 11,064, and a significant uplift is expected in 2014/15. (Actual performance attendees to 28 March 2015 were 15,420)   |
| Total Functions/Event Attendees                         | 62,211            | 29,227            | NA                  | Largely relates to Kermot Hall attendees; there is limited event activity in other venues   |
| Total Attendees   | 74,633            | 42,975            | NA                  |   |
| Total Performances                                      | 36                | 59                | 67                  | Reflects more active programming, responding to Council and State Government objectives   |
| Total Functions/Events                                  | 138               | 160               | NA                  | No clear trend information available  |
| Total All Events  | 174               | 219               | NA                  |   |
| Number of Events Per Week                               | 4                 | 5                 | NA                  | Across all venues under management, assuming 48 week year   |
| Own Programs as % of Total Performances                 | 36%               | 36%               | 36%                 | This rate is consistent with the wider regional sector (VAPAC, 2013). Own programs comprise bought-in productions and self- or co-presented productions                         |
| Community Performances as % of total Performances       | 33%               | 41%               | 39%                 | Understood to be a generally declining proportion of the total and has certainly fallen from 2008/09 rate of 52%  |
| Commercial Performance Hires as % of Total Performances | 14%               | 8%                | 9%                  | This has grown in percentage terms since 2008/09 when the rate was 5% but in absolute terms the figure remains very low at around 5 programs per year, generally in Kermot Hall |
| Average FTE (approx.)                                   | 6.45              | 6.25              | 6.25                | Stable staff profile since 2011/12  |
| Square Metres under Management                          | 5,096             | 5,096             | 5,096               | Includes LPAC, Kermot and Moe Halls only. Best estimate only  |



Whilst only limited trend information is available, it is clear that there has been an increased emphasis on proactive programming to build and expand audiences in Latrobe City. The Council's subsidisation, per attendee, of the overall performing arts activity is within the range for the sector.

The current subsidisation per Latrobe City resident is about \$7. Whilst there is no current benchmarking across regional Victoria, the range in 2010 was \$1.25 to \$20.56 (VAPAC, 2010). This suggests that Latrobe City's subsidisation has been at the low end of the scale although it would be useful to do some current benchmarking with a sample of directly comparable venues. It is understood that VAPAC is currently undertaking a new survey of Victorian performing arts venues and this will be a useful reference point, when complete.

In general, however, these measures confirm the findings of the demand analysis that **there is the opportunity to achieve larger audiences for the performing arts in Latrobe City through an increased investment in facilities and programs to a level that would sit comfortably within the range of investment currently made by other Victorian regional councils.**

## 7.2 Indicative operating revenues and costs

### *Audience growth scenarios*

The indicative operating revenues and costs for the proposed new sites at Traralgon and Morwell have been prepared under the audience growth scenarios in Table 9.

Table 9 Audience Growth Scenarios

| Genre                                     | Market Penetration by 2031 |              |           |           |
|---|----------------------------|--------------|-----------|-----------|
|   | 2014-15                    | Conservative | Mid-Range | Ambitious |
| Classical Music                           | 4%                         | 10%          | 15%       | 20%       |
| Popular Music                             | 1.5%                       | 3%           | 5%        | 10%       |
| Theatre                                   | 31%                        | 38%          | 45%       | 50%       |
| Dance                                     | 16%                        | 18%          | 20%       | 28%       |
| Opera/Musical                             | 11%                        | 15%          | 20%       | 24%       |
| Other (incl. Comedy and Children's Shows) | 47%                        | 49%          | 50%       | 55%       |

Underlying volumes for potential audiences are derived from the demographic analysis described in Section 3 and, in particular, the forecast changes over the period from 2015 to 2036. It is assumed that the new facility would be operating from 2019/20 and that Year Five is, therefore, 2023/24. All financial figures are provided in current prices.



The numbers attending functions are assumed to track demographic changes and are deemed to come largely from Latrobe City and its broader catchment. In the absence of any detailed demand assessment for the functions and events market, these are prudent assumptions. It should also be noted that neither of the facilities are scoped to provide large-scale events and convention services but rather to optimise the building's capacity alongside an active performing arts program.

### ***Other assumptions***

In addition to the assumptions in the demand scenarios, several other assumptions were made in developing the financial model. These were necessarily high-level and conservative in their expectations. All would require further testing and review as part of the development of a full business case for the preferred option. These are summarised in Appendix 4.

In particular, it is assumed that the Creative Victoria grant continues at the current level of \$60,000. The experience of other new venues is that an increase in this grant can be negotiated to support the development of a new and expanded program. The likelihood of this should be explored further with Creative Victoria.

## **7.3 Summary financial performance – Morwell & Traralgon**

Table 10 presents summary figures for Morwell for Year 5 only<sup>8</sup> and Table 11 for Traralgon. We have assumed that it will take five years from opening for a stable business model to be bedded down and for the target penetration into potential genre groups to be firmly on track to meet the 2031 targets in Figures 5 and 6 respectively. This is consistent with general industry experience.

It should be note that this model assumes that the existing LPAC site is no longer used as a performing arts space. To continue using this site, as was assumed in the Morwell Business Case, would lead to an increase in costs but without a commensurate increase in demand and revenues.

<sup>8</sup> Full figures for the Morwell and Traralgon options are available in Appendix 4.



**Table 10 Morwell Option Year 5 Financial Forecast Summary**

|   | Conservative (\$) | Mid-Range (\$) | Ambitious (\$) | Comparison between Mid-Range Scenario and 2013/14 Actual Results   |
|---|-------------------|----------------|----------------|--|
| TOTAL REVENUE                           | 737,000           | 821,000        | 890,000        | 124% increase on 2013/14 revenue   |
| TOTAL EXPENDITURE                       | 1,654,000         | 1,883,000      | 2,071,000      | 137% increase on 2013/14 expenditure   |
| NET COUNCIL SUBSIDISATION               | 917,000           | 1,062,000      | 1,181,000      | Represents a \$584,000 increase on 2013/14 level (\$478,000) and a \$537,000 increase on 2014/15 level (\$525,000) |
| Subsidisation per Attendee              | \$11.13           | \$11.73        | \$12.15        | Consistent with 2013/14 rate of \$11.14  |
| Subsidisation per Performance Attendee  | \$38.67           | \$33.40        | \$30.72        | Consistent with 2013/14 rate of \$34.81  |
| Subsidisation per Latrobe City Resident | \$11.68           | \$13.53        | \$15.04        | Based on an estimated resident population of 78,500 in 2023. Current rate is \$7                                   |

**Table 11 Traralgon Option Year 5 Financial Forecast Summary**

|   | Conservative \$ | Mid-Range \$ | Ambitious \$ | Comparison between Mid-Range Scenario and 2013/14 Actual Results   |
|---|-----------------|--------------|--------------|--|
| TOTAL REVENUE                           | 766,000         | 852,000      | 924,000      | 132% on 2013/14 level  |
| TOTAL EXPENDITURE                       | 1,723,000       | 1,956,000    | 2,149,000    | 145% on 2013/14 level  |
| NET COUNCIL SUBSIDISATION               | 956,000         | 1,104,000    | 1,225,000    | Represents a \$626,000 increase on 2013/14 level (\$478,000) and a \$579,000 increase on 2014/15 (\$525,000)       |
| Subsidisation per Attendee              | \$12.23         | \$12.77      | \$13.14      | Slightly higher than current level (\$11.14) and Morwell option, reflecting greater square metres under management |
| Subsidisation per Performance Attendee  | \$39.49         | \$34.01      | \$31.21      | Consistent with 2013/14 rate of \$34.81  |
| Subsidisation per Latrobe City Resident | \$12.17         | \$14.06      | \$15.61      | Based on an estimated resident population of 78,500 in 2023. Current rate is \$7                                   |



## 7.4 Comparison with feasibility study and business case

The Feasibility Study included some detailed projections of revenues from catering, venue hire and ticketing (some of which have been applied in this review). However, it was based on different assumptions for estimating, and responding to, demand. This means they are not directly comparable.

The cost analysis lacked some detail and the assumptions regarding the operating model for the existing, and potentially continuing, venues was not explicit. For example, the Study was silent on the ongoing use of Kernot Hall, the Moe Town Hall and the other venues under the Traralgon option, and of the existing LPAC, under the Morwell option.

Overall, the Feasibility Study concluded that, in Year 5, both the Traralgon Option and the Morwell Option would require a net subsidisation of \$357,000 from the Council. If this is taken to be the net additional impact of the new facility and an 8.8% increase in prices since 2010 is assumed, this is equivalent to an amount of \$386,000 today. This is lower, but not inconsistent, with that derived in this study for Morwell (\$439,000) and Traralgon (\$478,000) under the most conservative of the three scenarios.

The Morwell Business Case more fully developed the estimates for the Morwell option but assumed the Traralgon LPAC facility would continue to operate and took a portfolio approach to all arts facilities. Its activity and revenue assumptions are also based on the capacities of the proposed facility, rather than the market and demographic trends. Slightly more bullish assumptions were made about catering revenues on the Morwell site but, on the other hand, no revenue from sponsorship and donations was included for either option.

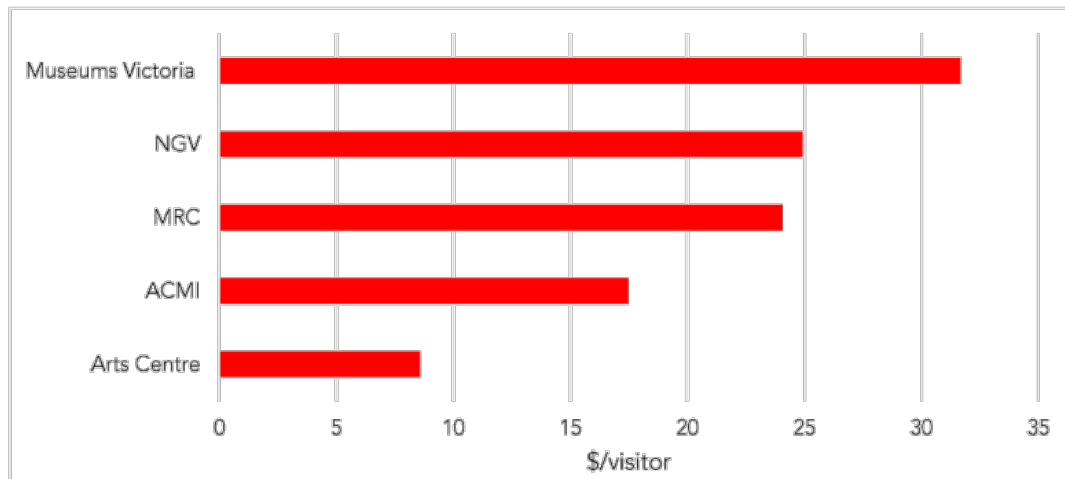
The Business Case also included different assumptions about staffing (assuming lower productivity); programming costs (assuming they would be contained at lower levels); and building costs (underestimating ongoing maintenance costs of the new facility, but also assuming that LPAC would continue). The Business Case concluded that the net subsidisation from Council would be \$1.12 million, an increase of \$727,000 over the then level. Assuming a 4.6% increase in prices since 2012, this equates to a subsidisation of \$1.17 million, which is consistent with the most ambitious of the three scenarios here.

## 7.5 Net council subsidisation

Both earlier reports concluded that the building of a new facility would result in a net increase in total subsidisation by the Council. This has been confirmed here and is consistent with almost every experience in the public theatre sector, and much of the commercial sector as well. Theatres and other cultural institutions are not primarily intended to be money-making ventures, but rather investments to deliver broader community benefits and, potentially, to contribute to economic activity in a wider region. This is illustrated in Figure 9, which compares the level of subsidisation across several State entities in Melbourne.



Figure 9 2012/13 Government Operating Funding per Visitor



Source: extracted from Annual Reports, Geografia, 2014

The Feasibility Study reported that levels of Local Government subsidisation of performing arts centres in Victoria in 2010 ranged from \$25,000 per annum to over \$1.3 million across a number of venues (VAPAC, 2010). The Study's own benchmarking exercise of some regional cities and larger centres in the Gippsland region found subsidisation amounts fell in the range of \$450,000 to \$1,400,000 and that Latrobe City was, then, at the lower end of the scale, at \$391,000.

Current subsidisation per Latrobe City resident is \$7. Investment in a new venue, at either Traralgon or Morwell, would increase this rate of subsidisation to a figure within the range \$11.68 to \$15.16 which appears to be more comparable with the rest of the sector (see Section 7.1).

## 7.6 Whole-of-Life operating costs

Given that a functional design brief has not yet been developed and only very basic designs are available, it is difficult to calculate reliable whole-of-life operating costs or indicative replacement costs. A rule of thumb for maintenance, plant replacement and upgrading, is to allow 3% per annum of the total current capital cost to rebuild (VAPAC, 2012). Based on the indicative total capital costs in Table 5, this would suggest that an annual amount of \$350,000 should be allowed per annum for Morwell, and \$390,000 per annum for Traralgon from 2019/20 onwards for capital renewal and replacement. This is in addition to the amounts already allowed in Table 10 and Table 11 for annual building and equipment maintenance costs.



## 7.7 Flow-on economic impact

The total estimated economic impact of the LPACC is summarised in Table 12. It is based on the construction cost estimates and net revenues from non-resident attendance at both performances and events. Further details on how these were calculated are provided in the Appendix.

**Table 12** Impact of Construction Activity on Local Economy

|                | Cycle        | GRP            | Net Jobs |
|----------------|--------------|----------------|----------|
| Morwell Site   | Construction | \$20.6m        | 352      |
|                | Operational  | \$301,800 p.a. | 4.5      |
| Traralgon Site | Construction | \$20.3m        | 347      |
|                | Operational  | \$298,800 p.a. | 4        |





## 8.0 Potential Joint Ventures or Naming Rights

Although selected comparable performing arts venues have succeeded in attracting reasonable levels of support for new venues from the private sector over the past decade, such support might be limited in the future given low levels of expected economic growth. It is advised that Latrobe City explore the prospect of support from both private and public organisations, including those in the education and health sectors seeking broader community partnerships.

### 8.1 Market overview

A high-level review of performing arts and entertainment centres in several Victorian regions including Sale, Warragul, Warrnambool, Wangaratta and Shepparton indicates that private sector support, in the form of corporate sponsorship and philanthropy, is currently limited.

The ESSO BHP Billiton Wellington Entertainment Centre (EBBWEC) in Sale stands out as the benchmark for success in attracting support from the private sector, having secured naming rights from both commercial and philanthropic partners. ESSO BHP Billiton was reported to have secured naming rights of the venue for \$350,000 in 2003 for an unknown term (Gippsland News, 2003). EBBWEC also includes the John Leslie Theatre, demonstrating that a community arts centre can negotiate multiple naming rights with both commercial and philanthropic supporters. In addition to these naming rights, the EBBWEC website lists at least a dozen sponsors, mostly local businesses that are likely to be offering cash or in-kind contributions to support the entertainment centre.

It should be noted that private sector support for the EBBWEC was sought before the global financial crisis and its subsequent impact on the Australian economy. Although total national arts sponsorship increased by 29% and arts philanthropy increased by 141% in the period from 2003/04 to 2009/10, support for performing arts venues accounted for just \$16 million or 7% of the total (AbaF, 2011). It is reasonable to assume that most of this support would be secured by the large state government-owned performing arts venues and that contributions to local government-owned venues would be minimal.

There has also been significant structural change in the national economy over the past decade and this is likely to affect the quantum and source of private sector support available for new venues such as that proposed by Latrobe City.



## 8.2 Suggested partnership model

A partnership model should be developed that **distinguishes between commercial and philanthropic support**, reflecting the different types of contributions made to LPACC. As outlined in Table 13, LPACC could attract support both at the venue level (**venue partners**) and for specific LPACC programs, seasons, performances, or events (**program partners**).

At the **venue partner level**, cash contributions to LPACC could bestow naming rights on companies (with recognition such as "Principal Partner") or on philanthropists ("Principal Benefactor"). Naming rights for the entire building and for specific spaces (such as meeting rooms, exhibition spaces or the auditorium) could be offered. In addition to naming rights, LPACC might attract contra support for the venue (to cover the costs of items such as printing or bathroom toiletries) and these contributors could be recognised "Major Partners" or "Support Partners", in the case of the commercial sector, or "Patrons" and "Friends" in the case of philanthropists, depending on the respective level of support.

At the **program partner level**, supporters from the commercial sector might be referred to as "Major Sponsors" or "Support Sponsors", depending on the level of their contribution, and philanthropic supporters might be known as "Patrons" for significant in-kind contributions, or "Friends" for minor in-kind contributions.

Table 13 Proposed Partnership Model

|                  | Contribution         | Commercial Recognition | Philanthropic Recognition |
|------------------|----------------------|------------------------|---------------------------|
| Venue Partners   | Naming Rights – cash | Principal Partner      | Principal Benefactor      |
|                  | Cash or Major Contra | Major Partners         | Patrons                   |
|                  | Minor Contra         | Support Partners       | Friends                   |
| Program Partners | Cash or Major Contra | Major Sponsors         | Patrons                   |
|                  | Minor Contra         | Support Sponsors       | Friends                   |

## 8.3 Opportunities for LPACC

Potential commercial sponsors are most likely to be interested in either:

- Those LPACC activities which offer the greatest exposure to the broadest possible demographic cross-section of the community (including young adults, families, couples with no children and older members of the community); or



- Opportunities that might reflect the sponsor's footprint in the region and/or allow them to discharge their social responsibility or community contribution obligations in respect of separate agreements entered into with State or local governments.

Potential philanthropists are most likely to be:

- Families with origins in the region (that may or may not currently live in Latrobe City) that may be interested in establishing a "local legacy" in their family name; or
- Individuals who may have a specific interest in supporting cultural development in the Latrobe City and are probably already involved with arts and cultural activities.

Specific opportunities for Latrobe City to explore in the **commercial sector** include:

- For major contributions: local retail gas and electricity providers, companies in the local coal mining, energy, and agribusiness (including forestry) industries; and
- For minor cash or contra contributions: small to medium businesses servicing the local community such as local bank branches, commercial and professional firms, and emerging industries and businesses that may have a larger regional presence by 2019/20.

Partnership opportunities with **community sector organisations with a large footprint in the region, such as those in the health and education sector**, should also be explored for potential support of LPACC.

There are several examples of education partners investing in performing arts venues in regional Victoria. Deakin University, with a campus in Warrnambool, is the Principal Sponsor of the theatre season at the Warrnambool Regional Performing Arts Centre. The Westside Performing Arts Centre in Shepparton is owned by Mooroopna Secondary College and is managed by Greater Shepparton City Council. The City of Greater Bendigo has entered a joint venture with Bendigo Senior Secondary School, through the Department of Education and Early Childhood Development, to open the new Ulumbarra Theatre in April 2015. This is also expected to include a tertiary institution as an education partner.

Berry Street is the largest independent Victorian child and family services organisation and has been providing services to Gippsland families for more than 20 years. Berry Street has an independent school and regional office in Morwell and could be approached to partner with LPACC in the delivery of specific programs, performances and events for families in Latrobe City. Berry Street currently partners with the corporate sector, including ANZ, to run seminars for families in multiple locations, including Morwell. A sponsorship agreement with Berry Street could include the use of LPACC facilities for Berry Street activities.



## 8.4 Indicative revenues

The Australia Business Arts Foundation (AbaF) reported total arts sponsorship and philanthropy in Victoria of \$62m for 2009/10 with sponsorship accounting for roughly a third of this. Similar proportions could be applied to LPACC estimates for the two different sources of private sector support outlined in Table 14.

Table 14 Private Sector Support

|  | 2019/20<br>\$'000s | 2020/21<br>\$'000s | 2021/22<br>\$'000s | 2022/23<br>\$'000s | 2023/24<br>\$'000s | 2024/25<br>\$'000s |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Naming Rights                            | \$50               | \$50               | \$50               | \$50               | \$50               | \$50               |
| Other Support<br>(programs, events etc.) | \$15               | \$20               | \$25               | \$30               | \$30               | \$30               |
| Total                                    | \$65               | \$70               | \$75               | \$80               | \$80               | \$80               |

These estimates assume:

- **Cash contributions only.** Any contra support, effectively reducing LPACC's operating costs, would be in addition to these amounts;
- **Naming rights of the venue might be negotiated for \$250,000 for a 5-year term** and any additional naming rights (of a studio, theatre, meeting room etc.) would be in addition to these overall naming rights of the building. Naming rights could be secured via corporate sponsorship or philanthropy; and
- That support for programs and events would build over the initial 5-year period as the venue is launched, builds popularity in the community, and attracts media attention.

The total level of financial support shown in Table 15, is not believed to be contingent upon where the LPACC venue is located, or which of the three attendance scenarios is applied, as there are insignificant differences between these attendance levels for the purposes of attracting private sector support.

## 8.5 Other considerations

LPACC should also consider the following when developing relationships with sponsors and philanthropists:

- The development of a **full suite of potential offerings for commercial sponsorship and philanthropic support at LPACC well in advance of the proposed venue opening date** as negotiations can also take much longer than expected;
- **Ensure a transparent process and optimise stakeholder relationships.** For example, it may be appropriate to conduct an expression of interest process with local businesses to assess the levels of potential interest;



- **All sponsorship agreements should have start and end dates so that acknowledgement is not conferred to supporters in perpetuity.** Similarly, naming rights for philanthropists should never be promised in perpetuity other than in the most exceptional of circumstances. In most cases periods of 5-20 years should suffice;
- In the interests of maintaining good stakeholder relationships and avoiding “double dipping”, it will be important for Latrobe City to **research and identify sponsorships and relationships that are already in place between Latrobe City’s community stakeholders and the corporate sector** (for example Latrobe Theatre Company, relevant festivals and performing arts groups); and
- **Expiry dates of commercial sponsorship agreements (anywhere from one year agreements to five-year agreements) should be staggered** to avoid multiple agreements expiring at the same time.



## 9.0 Which Site?

Financially there is little to choose between the two sites. Without further analysis, the same must be said for the economic gains. However, there are some measures which suggest the Traralgon site offers the better of the two options.

### 9.1 Summary of options

Table 15 provides a summary of some of the key criteria that need to be considered when choosing between the two sites. It addresses the site matters raised in the 2009 study.

**Table 15 Comparison of Site Options**

| Criterion                                     | Morwell Option | Traralgon Option | Comments  |
|---|----------------|------------------|---|
| Community Consultation                        | -              | -                | The dominant concern (in the online survey, in which the question of location was not formally asked) was access: Morwell was regarded as having poorer public transport and foot access but better parking than Traralgon.   |
| Location and Amenity                          | Not Preferred  | Preferred        | Industry consultation concluded that an 'in town' site provides greater amenity than an 'edge of town site'. Community views were polarised: Morwell proponents pointed to the space for expansion; the scope to create an iconic building that stands out; and that, as the town has grown, Kernot Hall could no longer be considered 'edge of town'. Traralgon proponents emphasised the in-town location and that it would be a natural continuation of the existing LPAC. |
| Capacity (persons)                            | 1,455          | 1,680            | Excludes Moe Town Hall and smaller sites. Assumes that the Traralgon option continues to operate Kernot Hall as part of a portfolio of venues   |
| Square Metres (full portfolio of venues)      | 5,161          | 5,670            | Traralgon Option requires construction of new function space and assumes Kernot Hall continues in use   |
| <b>Year 5 Mid-Range, Indicative Scenario:</b> |                |                  |   |
| Total Attendees                               | 90,497         | 86,426           | Impact of integrated Kernot Hall under Morwell Option   |
| Total Performance Attendees                   | 31,789         | 32,452           | Traralgon is preferred venue for performances and expected to generate greater participation  |



| Criterion                              | Morwell Option            | Traralgon Option          | Comments   |
|--|---------------------------|---------------------------|--|
| Total Net Subsidisation                | \$1,062,000               | \$1,104,000               | Higher building management costs under Traralgon Option  |
| Subsidisation per Performance Attendee | \$33.40                   | \$34.01                   | Ditto, partially offset by marginally more performance attendees under Traralgon Option  |
| Subsidisation per Population           | \$13.53                   | \$14.06                   | Based on 2023 population of ~78,500  |
| Capital Cost                           | \$16,974,000              | \$16,724,000              | No material difference. Traralgon Option includes demolition of LPAC, provision for commercial kitchen and some refurbishment to Kernot Hall |
| Annual Sinking Fund Contribution       | \$350,000                 | \$390,000                 | No material difference   |
| Economic Impact – construction         | \$20.6 million (352 jobs) | \$20.3 million (347 jobs) | Higher impact from Morwell development due to construction costs   |
| Economic Impact – operations           | \$301,800 pa (4.5 jobs)   | \$298,800 pa (4 jobs)     | No material difference   |

From a financial or economic perspective, there is little to choose between the two sites. Greater flow-on economic benefits from the Traralgon 'in-town' site are probable, but difficult to project. The views of potential funders, whilst informally obtained both now, and in the past, should be considered persuasive and both Creative Victoria and RDV are likely to promote the Traralgon site as it is centrally located in the town. This is also the implicit view of the sector professionals consulted during this review. With this background, a decision to proceed with the Morwell site would need to be supported by a much more pronounced evidential advantage than that indicated above.

Two strategic issues are material to the relative costs and economic impact:

1. **The future role for the existing LPAC site under both scenarios.** This review has assumed that this will not continue as a performance space, as **this is not justified by demand projections**. However, further consideration is needed on whether it is preferable to demolish the building (for car parking, as is currently proposed under the Traralgon option), re-purpose, or realise the value of the asset through sale to fund the redevelopment. This is also relevant to the Morwell Option.
2. **The extent to which Kernot Hall would need refurbishment under the Traralgon Option** so as to maintain a full portfolio of venues. This could also be considered an interim stage. This would progress towards the future use of the Morwell site for the development of a **larger scale dedicated events and convention centre for the wider Gippsland region**, if there is a strong business case.

The development of a Master Plan for all cultural and related infrastructure in Latrobe City, in conjunction with the proposed arts and cultural strategy, would greatly assist in answering these questions.



## 10.0 Recommendations

This review has confirmed that there is a clear need to expand and enhance the provision of performing arts facilities in Latrobe City. Once the criteria considered in this review are taken into account, the Traralgon option presents the most appropriate site, particularly in the context of views of potential funders and the experience of the sector as a whole. However, there are issues still to consider with respect to the design elements of the new facility; how it would work with the existing facilities; and events market demand.

The following recommendations are presented as course of action to progress the development of this project.

**Table 16 Recommendations**

| Recommendation | Reference         | Details   |
|----------------|-------------------|---|
| 1              | Section 2.3       | Undertake a representative survey of residents to assess views on relative merits of Traralgon and Morwell sites and potential community usage.   |
| 2              | Section 3.3 & 7.2 | Confirm demand projections for functions and events. Consider the potential long term demand for the development of a larger scale (i.e. > 500 seats) dedicated convention facility serving Gippsland, separate from the proposed performing arts centre.   |
| 3              | Section 4.2       | Complete the Latrobe City Arts and Culture Strategy and ensure any proposal for a new venue is consistent with the Strategy's objectives.   |
| 4              | Section 4.2 & 9.1 | Consider development of a Master Plan for cultural facilities in Latrobe City, following completion of the Arts and Culture Strategy.   |
| 5              | Section 4.3       | Council to confirm the site for the proposed new facility without delay. This review recommends the selection of the Traralgon site and the following recommendations assume this selection.<br>Note: Councillors and relevant Council staff may find it useful to undertake some formal field visits to other Victorian venues such as Shepparton (separate facilities for performing arts and conventions), Albury/Wodonga/Wangaratta/Benalla (partnership model and mix of 'in town' and 'edge of town' venues); Sale/Warragul (both within Latrobe City |





| Recommendation | Reference               | Details  |
|----------------|-------------------------|--|
| 6              | Section 5.1 & 5.2 & 6.0 | <p>catchment area); Horsham (current development); Bendigo (newly opened large scale venue).</p> <p>Confirm key design elements including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• Inclusion of a fly tower and orchestra pit</li> <li>• The need for a flexible, flat floor performance space</li> <li>• Catering and kitchen facilities</li> <li>• Extent of refurbishment needed at Kernot Hall</li> <li>• Co-location of administrative offices on site</li> <li>• Technological and digital functionality.</li> </ul> <p>This should include an assessment of the existing, and proposed, provision elsewhere in the region to ensure the new facility is complementary and regional gaps are filled.</p> <p>The early engagement of a specialised theatre design consultant would assist throughout the project and is strongly recommended.</p> |
| 7              | Section 5.1 & 9.1       | <p>Determine future use of the existing LPAC site in Traralgon. Options include:</p> <ul style="list-style-type: none"> <li>• Demolition, with site being used for car parking (for new facility) or recreational space.</li> <li>• Demolition, with site being leased/sold for alternative use. This could possibly provide funding for the development of the new facility.</li> <li>• Retention and conversion to meet demands of the new proposed facility (the Business Case should address this option, for completeness).</li> <li>• Retention and conversion to another use.</li> </ul>  |
| ...8           | Section 5.3             | Complete functional design brief for costing and inclusion in Business Case.   |
| 9              | Section 6.3             | Review existing business systems, including booking systems, to ensure they will meet future requirements and estimate cost of any enhancement.  |
| 10             | Section 6.4             | Confirm expected staffing numbers and skills mix.  |
| 11             | Section 6.5             | Confirm catering model and engage services of specialised catering consultant during development of functional design brief and business case.   |
| 12             | Section 7.2             | Confirm likely level of grant support from Creative Victoria for programming in a new venue and reflect in financial projections.  |



| Recommendation | Reference                | Details   |
|----------------|--------------------------|---|
| 13             | Section 7.2 & Appendix 4 | Confirm financial model and assumptions in conjunction with functional design brief and recommendations 2, 9-12.  |
| 14             | Section 7.1              | Update data on relative regional subsidisation rates once 2014 VAPAC benchmarking is available.   |
| 15             | All Sections             | Develop a business case, with a strong evidence base, for the new venue. The use of the Victorian Department of Treasury and Finance's Investment Management Standard framework is highly recommended. It will also be important that the Business Case reflects the policy and strategic objectives of funders. Creative Victoria is understood to be currently reviewing the State's arts policy, including the regional arts policy. |
| 16             | Section 8.2 & 8.5        | Develop a partnership model for corporate and philanthropic support and ensure negotiations start well in advance of the opening of a new facility.   |
| 17             | Section 6.2              | Continue and increase investment in programming in the period before opening to build audiences.  |



## 11.0 References

AbaF, 2011, *Survey of Private Sector Support: measuring private sector support for the arts in 2009/10*, Australian Business Arts Foundation,

Artefact Consulting, 2012, *Latrobe Performing Arts and Convention Centre Business Case*, Melbourne

CPG Australia, 2009, *Latrobe Performing Arts and Convention Centre Feasibility Study: Options Analysis; Financial and Economic Impact Assessment*, Melbourne

DTPLI, 2014, *Gippsland Regional Growth Plan*, Department of Transport, Planning and Local Infrastructure and Gippsland Local Government Network, Melbourne

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Gippsland News, 2003, *Esso and BHP Billiton Confirm Major Sponsorship of New Wellington Entertainment Centre*, <http://gippsland.com/News/Old/3491.htm>

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Latrobe City, 2013, *Latrobe 2026: Community Vision*, Latrobe City, Morwell

VAPAC, 2010, *End of Year Financial Survey of Members*, Victorian Association of Performing Arts Centres, July 2010, Melbourne

VAPAC, 2012, *Oh You Beautiful Stage Edition 3*, Victorian Association of Performing Arts Centres, Melbourne

VAPAC, 2013, *Annual Report*, Victorian Association of Performing Arts Centres, Melbourne



# Appendix 1 Methodology

## Market size

The potential market size for Latrobe performing arts venues has been calculated by applying the ABS cultural attendance survey data to the defined catchment area and deriving an estimate of the total number of expected annual visits to a cultural event by residents of that catchment area. This is the estimated 'market size' for all cultural events whether they are in Latrobe or elsewhere; in privately owned or public facilities. The steps involved were:

1. Define the catchment area using postcode data from ticket sales provided by the Council. As 80-90% of all sales have been to Latrobe residents and most of the rest of sales are to Baw Baw, East Gippsland and Wellington residents, the populations of these council areas has been used to estimate the catchment area.
2. Use State Government population projections for the catchment area to establish the total and adult population of the catchment area each year to 2031.
3. Apply the ABS survey results for regional Victoria to the adult population. This provides a baseline market size by art form.
4. Escalate the participation rate by gradually shifting from the regional city participation rates and frequencies to the 'capital city' figures. This is a 'baseline' increase in participation that is assumed to occur regardless of whether a new facility is built. However, it does assume the City invests in audience and program development.
5. Accelerate the increase in participation rates assuming the new facility is built.

Figure 10 shows how these steps affect the change in market size. The error in the ABS survey results and in the population projections were incorporated into the analysis to calculate a ranged estimate of the total market size (from 132,000 to 180,000 visits). Essentially, the growth in catchment area market size from 2019 factors in underlying population growth, increased interest due to the development of the new facility, and also an investment in a successful audience development program (Figure 11).



Figure 10 Demand Growth Model

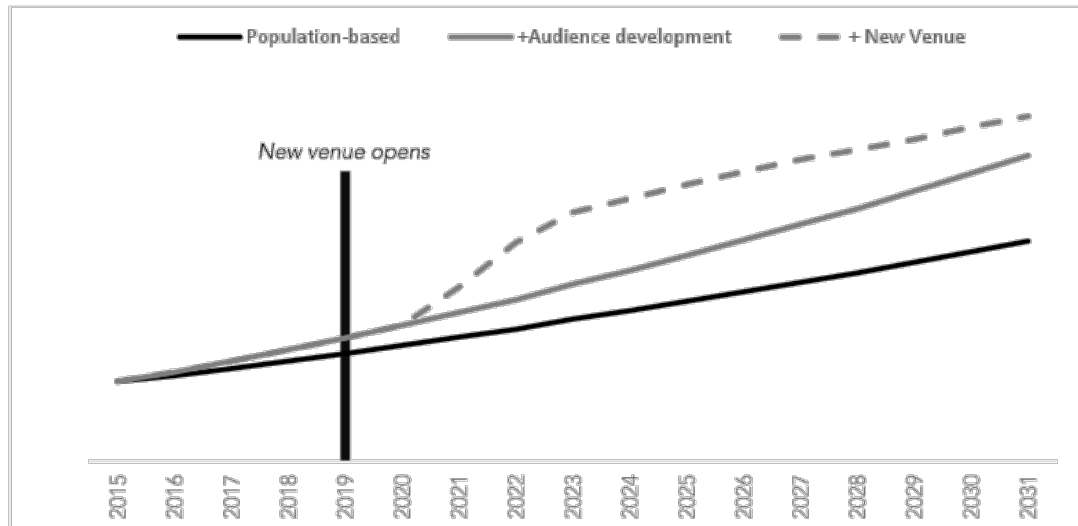


Figure 10 illustrates how the assumptions underpinning the demand growth model work. Firstly, there is an expected growth rate tied to the population growth of the catchment area. This assumes a fixed rate of cultural participation by residents. Added to this is an increase in the participation rate due to factors such as an active audience development program. Participation rates then converge on the metropolitan average. Finally, the new venue, along with investment in programs and audience development, triggers significant growth in participation, which then eases back to the 'audience-development' rate of growth. Source: Geografia, 2015

Figure 11 Estimated Market Size for Latrobe Cultural Events

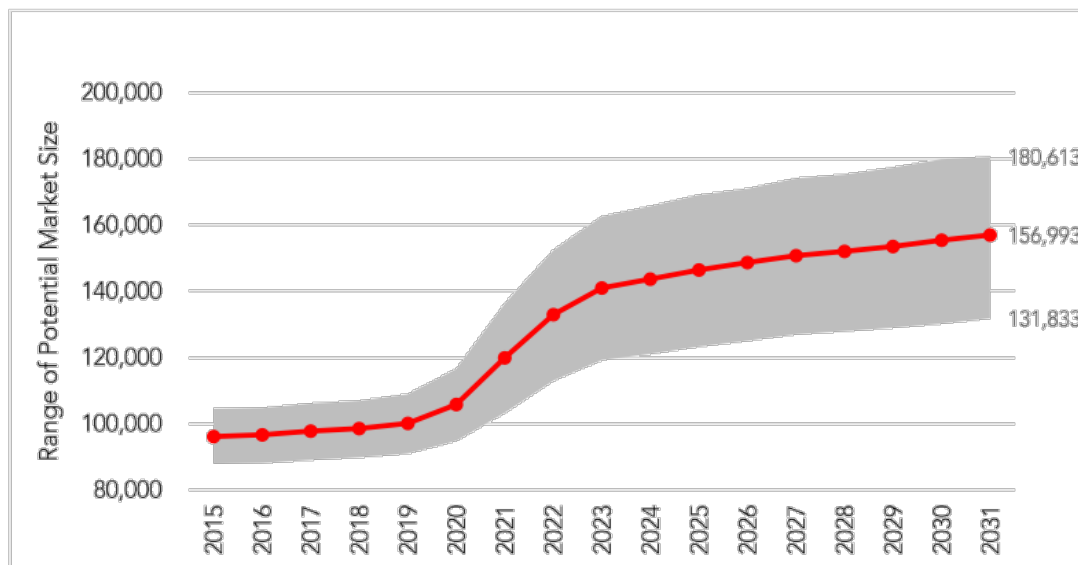
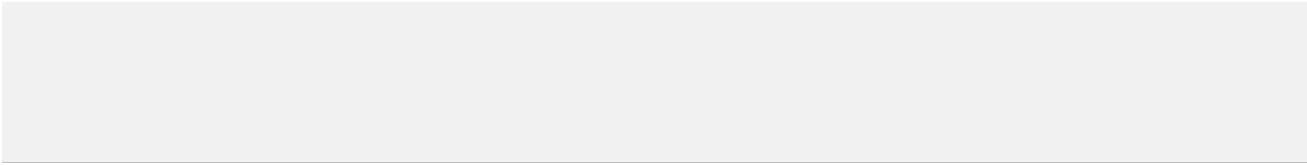


Figure 11 shows the total market size for all cultural events for the Latrobe PACC catchment area. The red line is the mean value and the grey band the level of uncertainty around this. Source: Geografia, 2015





The estimated market size by local government area is shown in Figure 12.

**Figure 12 Market Size by Local Government Area (2015-2031)**

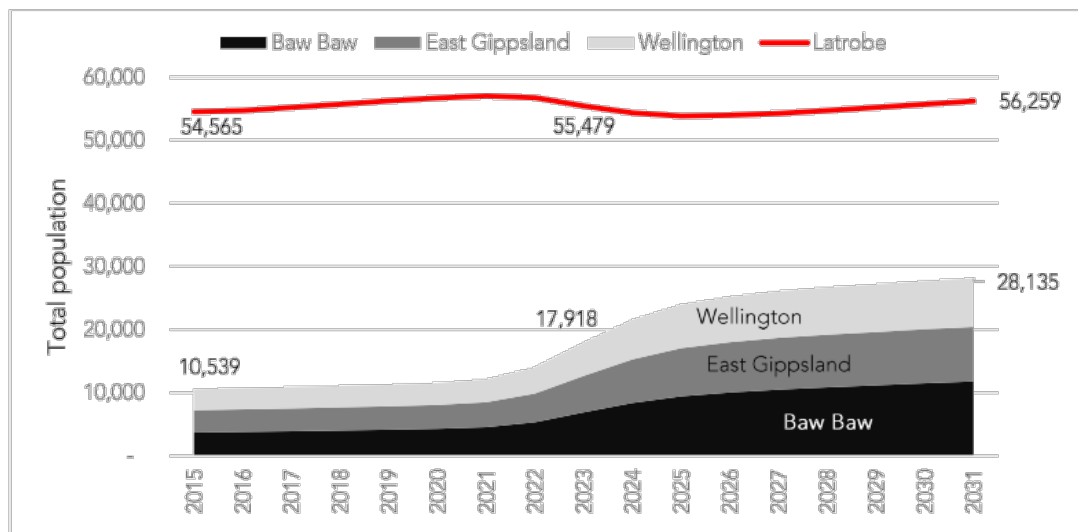


Figure 12 shows the estimated market size by local government area for the primary catchment area. While the current Latrobe facilities do attract visitors from other parts of the State, these four municipalities account for the majority. The figures here are estimated adult populations weighted by the relative share of attendance (e.g. in 2015, 90% of Latrobe’s adult population and 10% of each of the other three municipal populations). Source: Geografia, 2015

## Market share

Ticket data provided by Council was then used to calculate the share of the total market captured at local venues in the current year. That is, the existing venues’ market share. This was used as the starting point for estimating growth scenarios. ‘Baseline’, ‘Midrange’ and ‘Ambitious’ scenarios were calculated using fixed target market shares by art form (Table 17).

**Table 17 Market Share Scenarios**

| Scenario  | Growth in Market Share (2031)  |
|-----------|--|
| Baseline  | Avg 5% p.a. (aligned to total market growth, achieving 17% overall market share) |
| Midrange  | Avg 7% p.a. (targets 20-25% overall market share)                                |
| Ambitious | Avg 8.5% p.a. (targets 28-32% overall market share)                              |



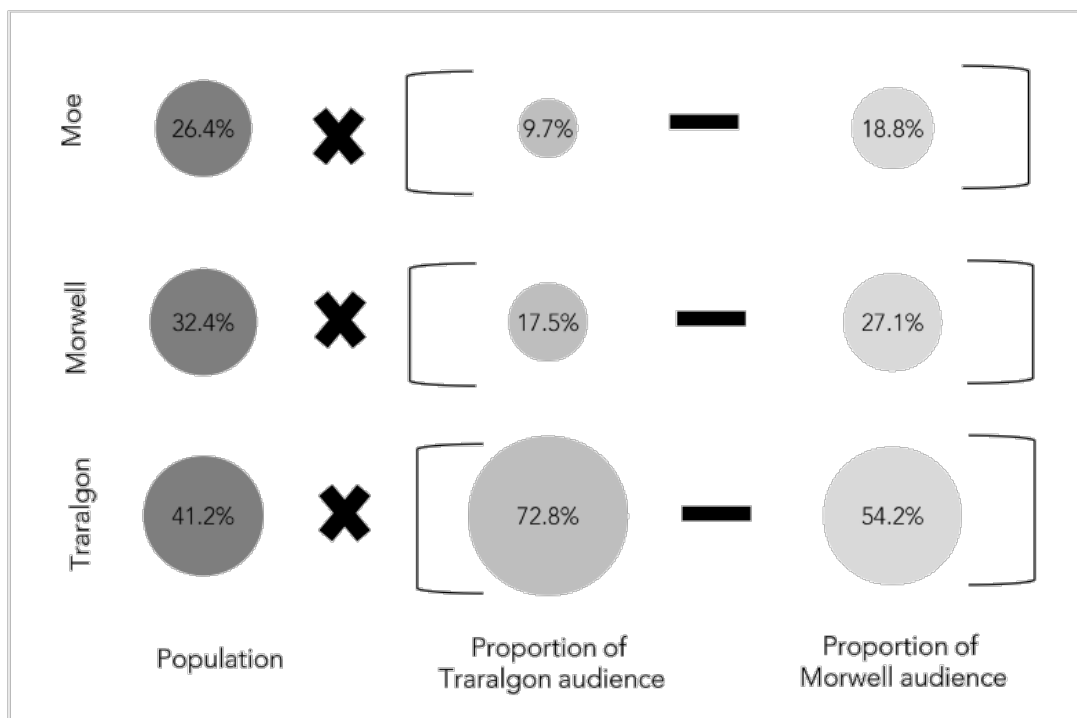
## Estimating variation in demand between sites

As with the 2009 Feasibility Study, this analysis also made the assumption that local market share would be slightly different depending on the final location of the LPACC. This is due to the different population sizes and propensities to attend cultural events<sup>9</sup>.

Figure 13 summarises the key dimensions of this and how a 'scaling factor' was calculated, taking into account that:

1. Traralgon residents make up a higher share of the total population and a significantly higher share of both the Traralgon and Morwell audiences.
2. Residents from each town showed a preference for attending performances in their 'home town'. But Traralgon residents are more willing to travel to other towns (Moe or Morwell) for performing arts.

Figure 13 Market Share by Place of Residence (2013-14)



Source: ABS, 2011; Latrobe City, 2015

<sup>9</sup> The difference was based on ticketing data from Traralgon, Moe and Morwell residents only as only these towns showed any significant difference in preference for Morwell or Traralgon events. They also make up some 80% of the resident population of the catchment area.



From this, we derived a figure of 1.8-2.2%. That is, audience numbers for a Traralgon venue would be between 1.8% and 2.2% higher than a Morwell venue (all other things being equal).

## Functions

Estimates of the potential demand for and attendance at conventions and functions have less data to draw upon compared with that for arts performances. To derive a reasonable estimate, existing Council data was used to calculate a baseline rate, which was then escalated at the regional population growth rate. This latter assumption is based on the findings from the Destination Gippsland Events and Conference Market study which found that 80-90% of convention and function activity came from within the region.

## Flow-on economic benefits

Geografia's inter-industry model for Latrobe City was used to estimate the flow-on benefits of the facility on the local economy in terms of additional Gross Regional Product. This includes:

1. A short-term impact from construction activity
2. A longer-term, but smaller impact from operational activity. This only factors in additional attendance at LPACC events/functions from non-residents.

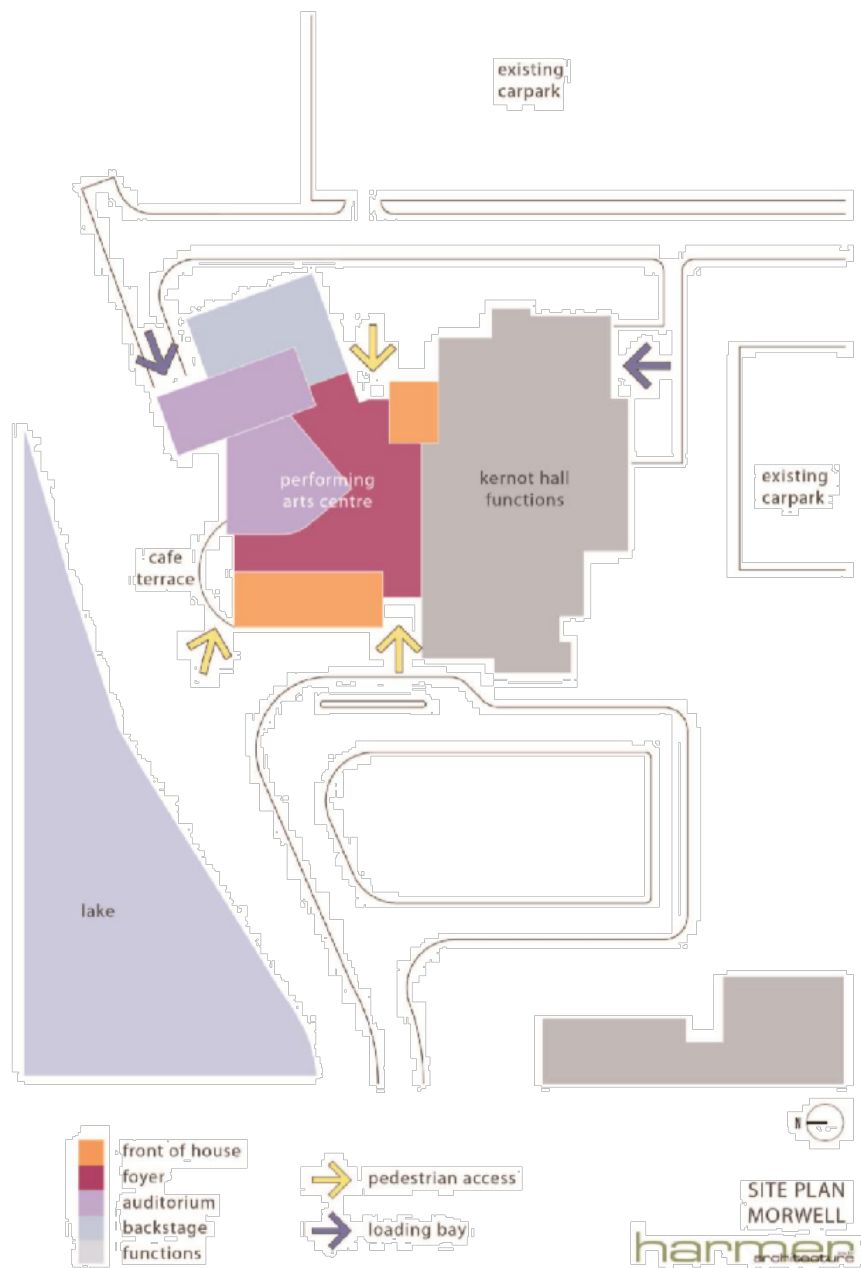
There is a strong argument to be made that the economic benefits accruing from the operation of a facility on the Traralgon site would be higher due to greater likely interaction between the facility and local retail and hospitality businesses. However, there is no data available to quantify this. Additionally, most of the expenditure will be by residents, which does not add to GRP and, so, the difference is likely to be negligible.





# Appendix 2 Indicative Designs

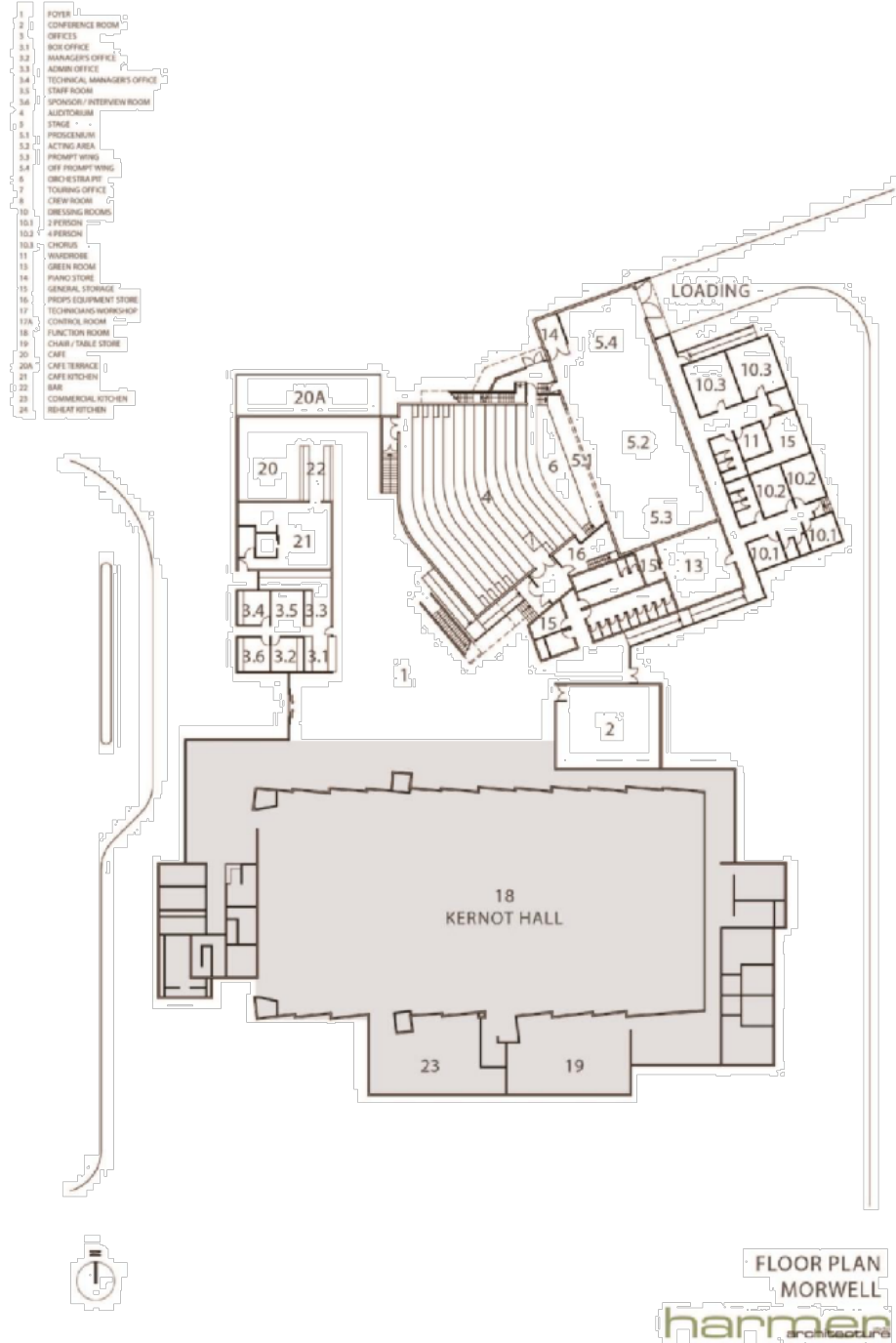
Figure 14 Morwell Site Plan



Source: CPG, 2009



Figure 15 Morwell Floorplan (Ground Floor)



Source: CPG, 2009



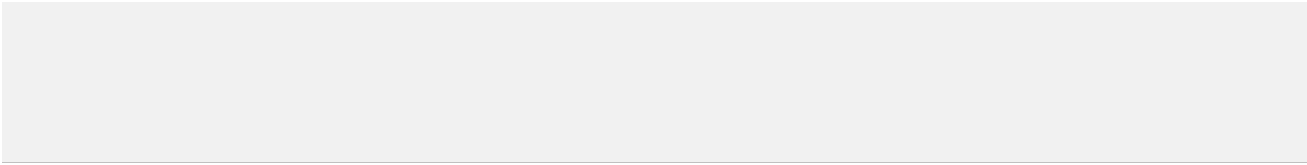
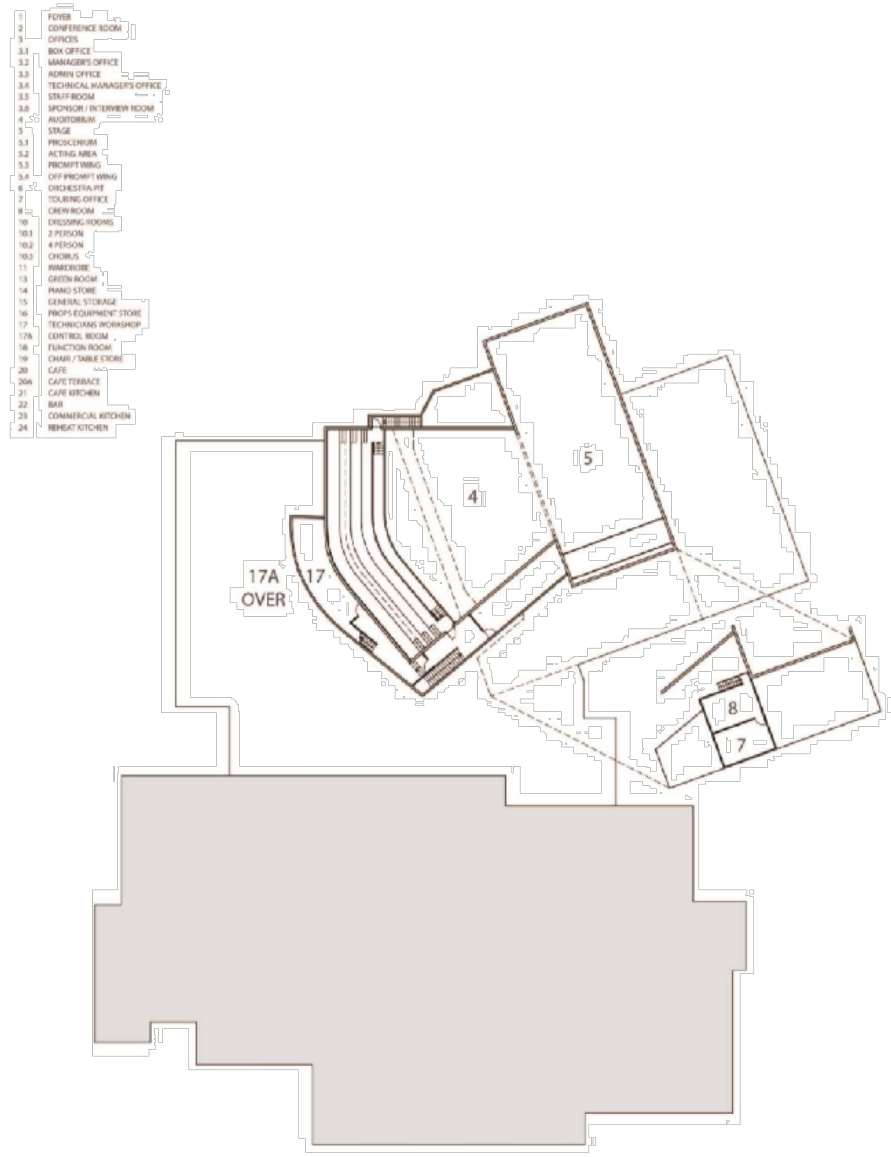


Figure 16 Morwell Floorplan (1<sup>st</sup> Floor)



UPPER FLOOR PLAN  
MORWELL  
harmen architecture



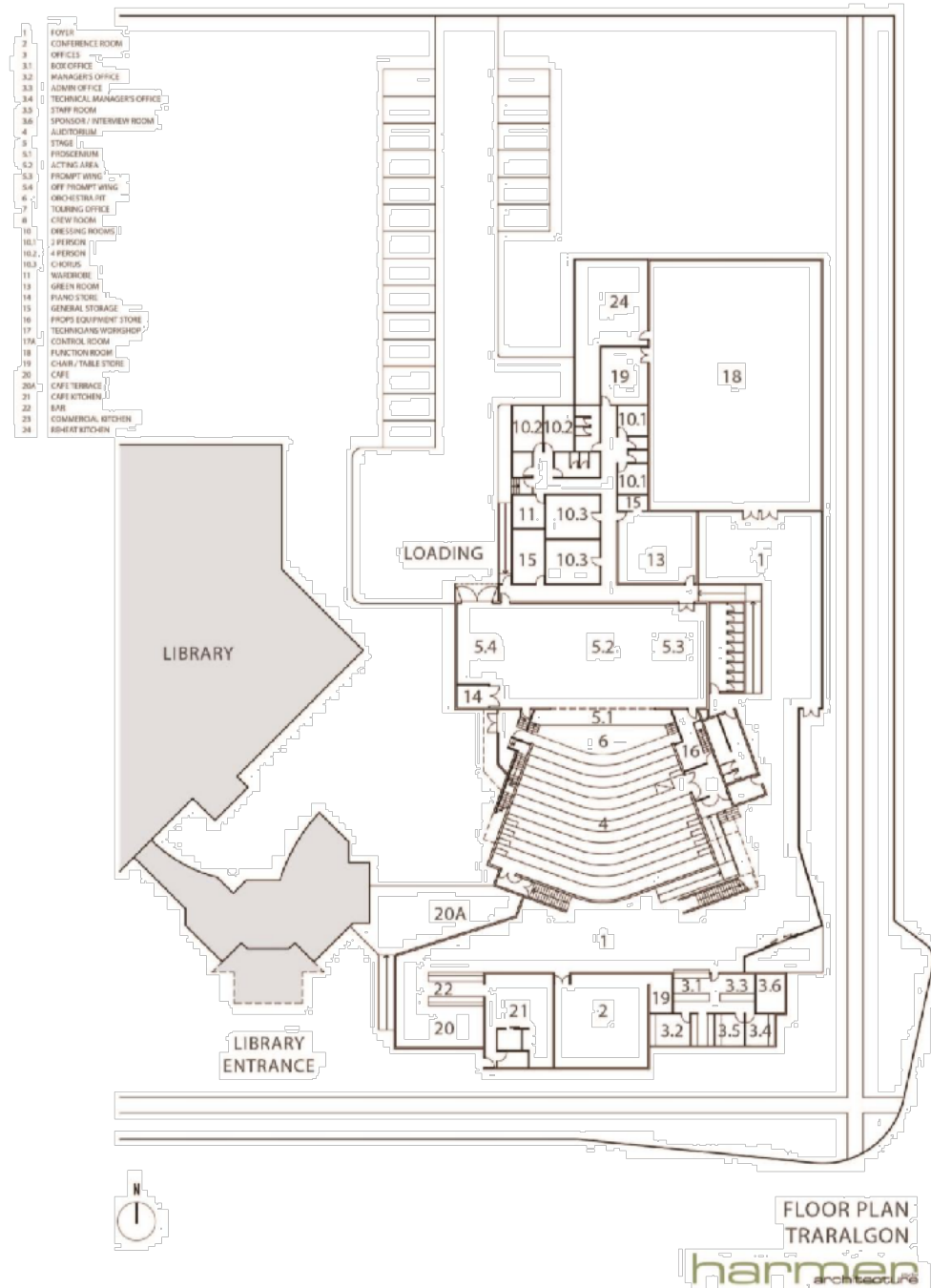
Figure 17 Traralgon Site Plan



Source: CPG, 2009



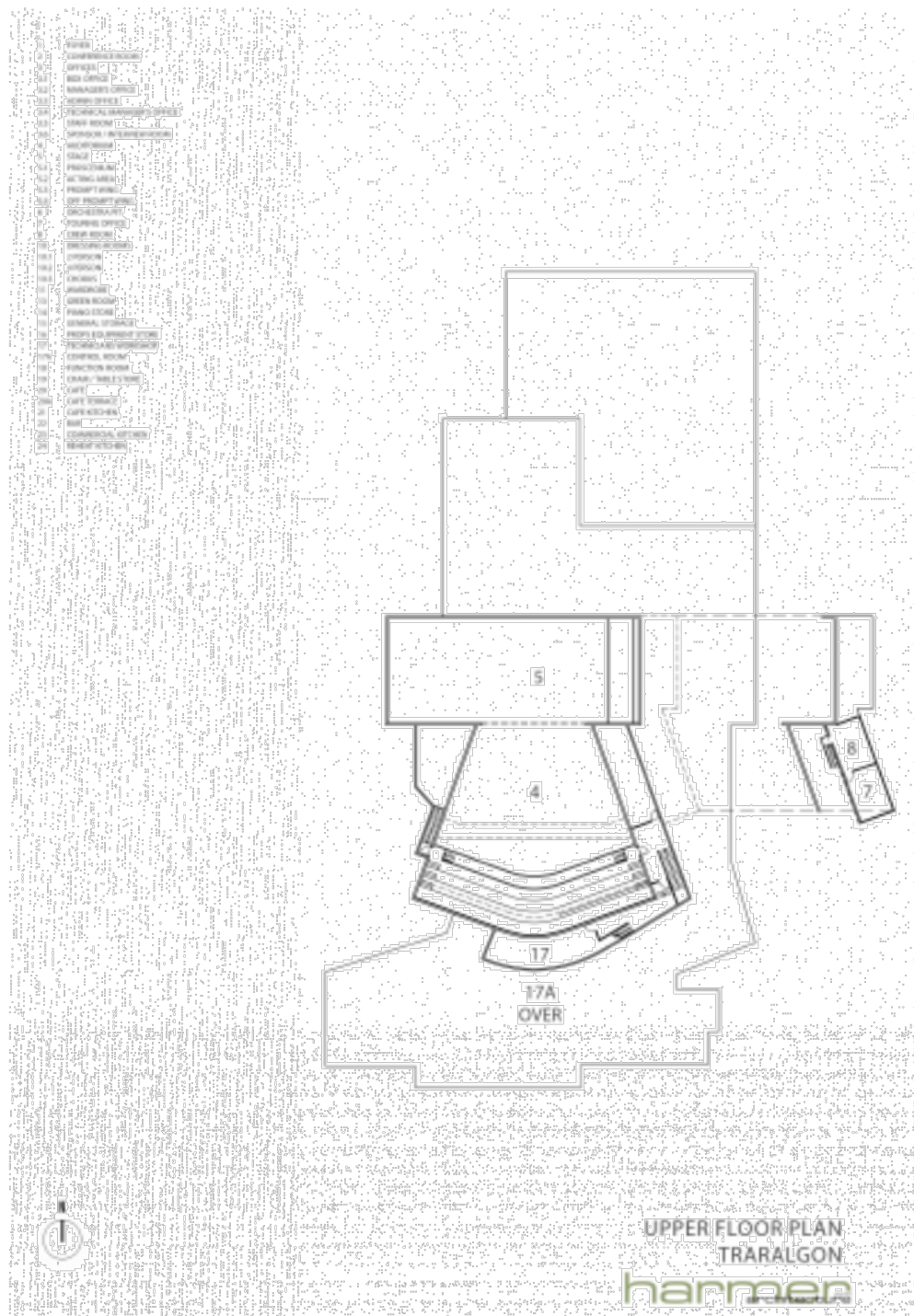
Figure 18 Traralgon Floorplan (Ground Floor)



Source: CPG, 2009



Figure 19 Traralgon Floorplan (1<sup>st</sup> Floor)



Source: CPG, 2009



# Appendix 3 Cost Plans

## Morwell cost plan summary

| Project: Latrobe Performing Arts Centre<br>Building: Morwell   |                          | Details: Stage A Cost Plan |      |      |                   |        |                   |
|--|--------------------------|----------------------------|------|------|-------------------|--------|-------------------|
| Code   | Description              | Quantity                   | Unit | Rate | Subtotal          | Factor | Total             |
| <b>MORWELL PERFORMING ARTS CENTRE</b>  |                          |                            |      |      |                   |        |                   |
| <b>AREA ANALYSIS</b>   |                          |                            |      |      |                   |        |                   |
| 01   | PERFORMING ARTS CENTRE   |                            |      |      | 11,948,570        |        | 11,948,570        |
| 02   | EXTERNAL SERVICES        |                            |      |      | 476,364           |        | 476,364           |
| 03   | EXTERNAL WORKS           |                            |      |      | 880,092           |        | 880,092           |
| <b>SUB TOTAL BUILDING WORKS</b>  |                          |                            |      |      | <b>13,305,000</b> |        | <b>13,305,000</b> |
| 04   | CONSTRUCTION CONTINGENCY |                            |      |      | 665,250           |        | 665,250           |
| <b>TOTAL BUILDING WORKS (EXCL GST)</b>   |                          |                            |      |      | <b>13,970,000</b> |        | <b>13,970,000</b> |
| 05   | CONSULTANTS FEES         |                            |      |      | 1,676,400         |        | 1,676,400         |
| 06   | AUTHORITY FEES           |                            |      |      | 69,850            |        | 69,850            |
| 07   | ESCALATION to 2017       |                            |      |      | 1,257,300         |        | 1,257,300         |
| <b>TOTAL PROJECT COST (EXCL GST)</b>   |                          |                            |      |      | <b>16,974,000</b> |        | <b>16,974,000</b> |
| <b>GENERAL NOTES</b>   |                          |                            |      |      |                   |        |                   |
| This is a Stage A Cost Plan for the proposed Latrobe Performing Arts Centre at Morwell.  |                          |                            |      |      |                   |        |                   |
| This Cost Plan has been prepared for the use of Geografia only. Newton Kerr and Partners take no responsibility for the use of this document by other parties.   |                          |                            |      |      |                   |        |                   |
| This Cost Plan assumes the project will competitively tendered, and use a lump sum standard form construction contract.  |                          |                            |      |      |                   |        |                   |
| This Cost Plan has been based on preliminary information requiring many assumptions to be made. These will require confirmation once the next stage of the design has commenced.                         |                          |                            |      |      |                   |        |                   |
| These costings are indicative only of the possible cost in current dollars to construct the building and associated work as documented on the Harmer Architecture drawings received 25th September 2009. |                          |                            |      |      |                   |        |                   |
| <b>Drawings</b>  |                          |                            |      |      |                   |        |                   |
| The following drawings were used in the preparation of this Cost Plan:   |                          |                            |      |      |                   |        |                   |
| Harmer Architects drawings, Drawing A Dated Sep 2009   |                          |                            |      |      |                   |        |                   |
| <b>Exclusions</b>  |                          |                            |      |      |                   |        |                   |

CostX  
24/03/2015

Newton Kerr and Partners

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### Traralgon cost plan summary<sup>10</sup>

| Project: Latrobe Performing Arts Centre<br>Building: Traralgon   |                          | Details: Stage A Cost Plan |      |      |                   |        |                   |
|--|--------------------------|----------------------------|------|------|-------------------|--------|-------------------|
| Code   | Description              | Quantity                   | Unit | Rate | Subtotal          | Factor | Total             |
| <b>TRARALGON PERFORMING ARTS CENTRE</b>  |                          |                            |      |      |                   |        |                   |
| <b>AREA ANALYSIS</b>   |                          |                            |      |      |                   |        |                   |
| 01   | PERFORMING ARTS CENTRE   |                            |      |      | 10,866,113        |        | 10,866,113        |
| 02   | EXTERNAL SERVICES        |                            |      |      | 476,364           |        | 476,364           |
| 03   | EXTERNAL WORKS           |                            |      |      | 1,108,545         |        | 1,108,545         |
| <b>SUB-TOTAL BUILDING WORKS</b>  |                          |                            |      |      | <b>12,451,000</b> |        | <b>12,451,000</b> |
| 04   | CONSTRUCTION CONTINGENCY |                            |      |      | 622,550           |        | 622,550           |
| <b>TOTAL BUILDING WORKS (EXCL GST)</b>   |                          |                            |      |      | <b>13,074,000</b> |        | <b>13,074,000</b> |
| 05   | CONSULTANTS FEES         |                            |      |      | 1,568,880         |        | 1,568,880         |
| 06   | AUTHORITY FEES           |                            |      |      | 65,370            |        | 65,370            |
| 07   | ESCALATION to 2017       |                            |      |      | 1,176,660         |        | 1,176,660         |
| <b>TOTAL PROJECT COST (EXCL GST)</b>   |                          |                            |      |      | <b>15,884,000</b> |        | <b>15,884,000</b> |
| <b>GENERAL NOTES</b>   |                          |                            |      |      |                   |        |                   |
| This is a Stage A Cost Plan for the proposed Latrobe Performing Arts Centre at Traralgon.  |                          |                            |      |      |                   |        |                   |
| This Cost Plan has been prepared for the use of Geografia only. Newton Kerr and Partners take no responsibility for the use of this document by other parties.   |                          |                            |      |      |                   |        |                   |
| This Cost Plan assumes the project will competitively tendered, and use a lump sum standard form construction contract.  |                          |                            |      |      |                   |        |                   |
| This Cost Plan has been based on preliminary information requiring many assumptions to be made. These will require confirmation once the next stage of the design has commenced.                         |                          |                            |      |      |                   |        |                   |
| These costings are indicative only of the possible cost in current dollars to construct the building and associated work as documented on the Harmer Architecture drawings received 25th September 2009. |                          |                            |      |      |                   |        |                   |
| <b>Drawings</b>  |                          |                            |      |      |                   |        |                   |
| The following drawings were used in the preparation of this Cost Plan:   |                          |                            |      |      |                   |        |                   |
| Harmer Architects (Drawings, Drawing A Dated Sept 2009)  |                          |                            |      |      |                   |        |                   |
| <b>Exclusions</b>  |                          |                            |      |      |                   |        |                   |
| CostX  | Newton Kerr and Partners |                            |      |      |                   |        | Page 1 of 2       |

<sup>10</sup> Cost of refurbishing Kernot Hall and provision of a commercial kitchen have not been included in this summary, but are noted in the body of the report.





## Appendix 4 Financial Assumptions

Table 18 Key Financial Model Assumptions

| Item   | Detail of Assumption   |
|--|--|
| <b>General:</b>                                      |  |
| Inflation  | All revenues and costs assumed to be in current prices; no allowance made for wage or price increases  |
| Governance   | Assume all arts venues continue to be managed under the same model as currently  |
| Council Central Costs                                | Not charged to performing arts: insurance, risk management costs, OH&S services, financial services  |
| Square metres  | Morwell new theatre 2,165 sqm; Traralgon new theatre 2,674 sqm; Kernot Hall 1,696 sqm; Existing LPAC Traralgon 2,100 sqm; Moe Town Hall 1,300 sqm  |
| <b>Activity:</b>                                     |  |
| Average Main Auditorium Fill Rates                   | 60%  |
| Split Community/Non-Community                        | 40:60, reflecting current split  |
| Split Performance Hire/Own Programming               | 65:35, reflecting current split  |
| Commercial Hires as Proportion of Total Performances | 11%, reflecting absolute increase from 5 per annum currently to range of 8-12 under all the three scenarios  |
| Performance Year                                     | 48 weeks   |
| <b>Revenue:</b>                                      |  |
| Community Grants Program                             | Continues to supplement Eisteddfod and other community hires   |
| Hire Revenue per Hire                                | \$1,300, unchanged   |
| Bought In Program Costs                              | \$7,500 on average (industry range of \$2,500 to \$20,000)   |
| Average Adult Ticket Price                           | \$25, unchanged  |
| Creative Victoria Grant                              | No change from current levels  |
| Catering   | Bar: \$1.62 spend per performance attendee (no change)<br>Bar: cost neutral (no change)<br>Café: cost neutral (Morwell); \$10 per head, 50 people per day, 300 days at royalty rate of 6% of gross receipts (Traralgon)<br>Functions: \$20 per person, at royalty rate of 6% of gross receipts |
| <b>Costs:</b>  |  |
| Average Total Staff Cost per FTE                     | \$89,000, increase on 2014/15 level of \$74,000, reflecting different skill mix  |
| Productivity   | \$55,000 external revenue generated per FTE, consistent with current levels  |
| Building & Facility Costs                            | Cleaning \$22 per sqm, no change on current<br>Utilities \$16 per sqm, no change on current<br>Building and Equipment Maintenance (new building) \$30 per sqm<br>Building and Equipment Maintenance (old building) \$6 per sqm, no change on current   |



Table 19 Morwell Option – 5 year Financial Forecast

|   | Conservative<br>\$ | Mid-Range<br>\$  | Ambitious<br>\$  | Comparison between Mid-Range Scenario<br>and 2013/14 Actual Results  |
|---|--------------------|------------------|------------------|--|
| <b>REVENUE</b>                          |                    |                  |                  |  |
| Creative Victoria Grant                 | 60,000             | 60,000           | 60,000           | Assumes no change on current levels but an increase may be forthcoming as this would be consistent with the experience of other new venues   |
| Venue Hire Fees                         | 363,000            | 386,000          | 405,000          | 61% increase reflecting higher commercial changes as result of improved facilities and growth in number of events  |
| Ticket Sales and Similar Revenue        | 143,000            | 191,000          | 230,000          | 212% increase reflecting increase in own programming and overall audience growth   |
| Catering Revenue                        | 91,000             | 104,000          | 115,000          | 417% growth reflecting growth in attendees and inclusion of new stream of events/functions business  |
| Sponsorship and Donations               | 80,000             | 80,000           | 80,000           | See Section 8.4 for more detail  |
| <b>TOTAL REVENUE</b>                    | <b>737,000</b>     | <b>821,000</b>   | <b>890,000</b>   |  |
| <b>EXPENDITURE</b>                      |                    |                  |                  |  |
| Staff                                   | 811,000            | 925,000          | 1,019,000        | 134% increase reflecting both growth in FTE and change in staff mix to include more senior venue management, programming and marketing skills  |
| Programming and Promotion               | 289,000            | 388,000          | 469,000          | 259% increase assuming more self-programmed events and an increased investment per program   |
| Buildings and Facilities                | 498,000            | 506,000          | 512,000          | 85% increase reflecting net increase in square metres and a higher cost per square metre for the new building to maintain at industry standard, coupled with impact of higher building utilisation |
| Other                                   | 56,000             | 64,000           | 71,000           | 91% increase largely tracking increase in FTE  |
| <b>TOTAL EXPENDITURE</b>                | <b>1,654,000</b>   | <b>1,883,000</b> | <b>2,071,000</b> |  |
| <b>NET COUNCIL SUBSIDISATION</b>        | <b>917,000</b>     | <b>1,062,000</b> | <b>1,181,000</b> | Represents a \$584,000 increase on 2013/14 level (\$478,000) and a \$537,000 increase on 2014/15 level (\$525,000)   |
| Subsidisation per Attendee              | \$11.13            | \$11.73          | \$12.15          | Consistent with current levels   |
| Subsidisation per Performance Attendee  | \$38.67            | \$33.40          | \$30.72          | Consistent with current levels   |
| Subsidisation per Latrobe City Resident | \$11.68            | \$13.53          | \$15.04          | Based on estimated resident population of 78,500 in 2023   |
| Total Performance Attendees             | 23,728             | 31,789           | 38,445           | 180% increase, reflecting both increase in number of events and penetration into audience groups   |



|  | Conservative<br>\$ | Mid-Range<br>\$ | Ambitious<br>\$ | Comparison between Mid-Range Scenario<br>and 2013/14 Actual Results                                     |
|--|--------------------|-----------------|-----------------|---|
| Total Functions/Event Attendees                    | 58,708             | 58,708          | 58,708          | Double 2013/14 numbers but consistent with 2012/13. Can fluctuate considerably with Kernot Hall numbers |
| Total Attendees                                    | 82,436             | 90,497          | 97,153          |   |
| Total Performances                                 | 79                 | 106             | 128             | 117 % increase to service latent audience demand and drive growth                                       |
| Total Functions/Events                             | 228                | 228             | 228             | 42% increase largely reflecting demographic growth and opportunity of new facilities                    |
| Total All Events                                   | 307                | 334             | 356             |   |
| Number of Events per Week                          | 6.40               | 6.96            | 7.42            | On average 2 more events each week, across all venues taken together                                    |
| Average FTE  | 9.11               | 10.39           | 11.45           | 83% increase to service greater activity and bring in broader range of skills. See Section 6            |
| Square Metres under Management                     | 5,161              | 5,161           | 5,161           | Includes new Morwell site and refurbished Kernot Hall and Moe Town Hall.                                |
| Sponsorship and Donations per Performance Attendee | \$3.37             | \$2.52          | \$2.08          | New revenue stream. See Section 8   |

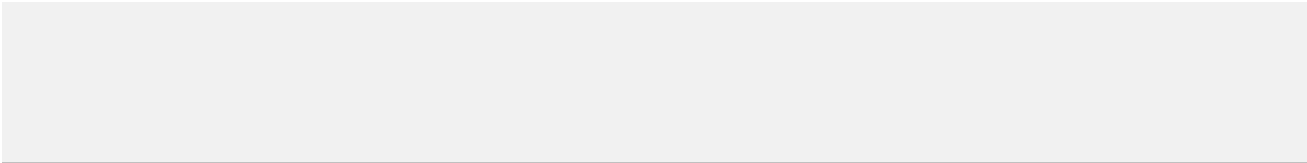
**Table 20 Traralgon Option – 5 year Financial Forecast**

|                                  | Conservative<br>\$ | Mid-Range<br>\$ | Ambitious<br>\$ | Comparison between Mid-Range Scenario<br>and 2013/14 Actual Results   |
|----------------------------------|--------------------|-----------------|-----------------|---|
| <i>REVENUE</i>                   |                    |                 |                 |   |
| Creative Victoria Grant          | 60,000             | 60,000          | 60,000          | No change   |
| Venue Hire Fees                  | 368,000            | 391,000         | 411,000         | 64% increase reflecting higher commercial charges as result of improved facilities and growth in number of events. Similar result to Morwell site,      |
| Ticket Sales and Similar Revenue | 145,000            | 195,000         | 236,000         | 219% increase reflecting increase in own programming and overall audience growth. Higher than Morwell reflecting larger catchment area around Traralgon |
| Catering Revenue                 | 113,000            | 126,000         | 137,000         | 517% growth reflecting growth in attendees; inclusion of new stream of events/functions business; and revenues from café                                |



|   | Conservative<br>\$ | Mid-Range<br>\$  | Ambitious<br>\$  | Comparison between Mid-Range Scenario<br>and 2013/14 Actual Results   |
|---|--------------------|------------------|------------------|---|
| Sponsorship and Donations               | 80,000             | 80,000           | 80,000           | See Section 8 for more detail   |
| <b>TOTAL REVENUE</b>                    | <b>766,000</b>     | <b>852,000</b>   | <b>924,000</b>   |   |
| <b>EXPENDITURE</b>                      |                    |                  |                  |   |
| Staff                                   | 823,000            | 940,000          | 1,036,000        | 138% increase reflecting both growth in FTE and change in staff mix to include more senior venue management, programming and marketing skills to drive revenue growth (higher than at the Morwell site)                   |
| Programming and Promotion               | 296,000            | 396,000          | 479,000          | 267% increase assuming more self-programmed events and an increased investment per program  |
| Buildings and Facilities                | 546,000            | 555,000          | 562,000          | 85% increase reflecting net increase in square metres under management and a higher cost per square metre for the new building to be maintained at industry standard, coupled with impact of higher building utilisation. |
| Other                                   | 57,000             | 65,000           | 72,000           | 97% increase largely tracking increase in FTE   |
| <b>TOTAL EXPENDITURE</b>                | <b>1,723,000</b>   | <b>1,956,000</b> | <b>2,149,000</b> |   |
| <b>NET COUNCIL SUBSIDISATION</b>        | <b>956,000</b>     | <b>1,104,000</b> | <b>1,225,000</b> | Mid-range scenario represents a \$626,000 increase on 2013/14 level (\$478,000) and a \$579,000 increase on 2014/15 (\$525,000)   |
| Subsidisation per Attendee              | \$12.23            | \$12.77          | \$13.14          | Higher than current levels and Morwell option, reflecting greater square metres under management  |
| Subsidisation per Performance Attendee  | \$39.49            | \$34.01          | \$31.21          | Consistent with current levels; very similar to Morwell option  |
| Subsidisation per Latrobe City Resident | \$12.17            | \$14.06          | \$15.61          | Based on estimated resident population of 78,500 in 2023  |
| Total Performance Attendees             | 24,214             | 32,452           | 39,254           | 186% increase, reflecting both increase in number of events and penetration into audience groups, assumed stronger at Traralgon   |
| Total Functions/Event Attendees         | 53,974             | 53,974           | 53,974           | 85% increase 2013/14 numbers and actually lower than 2012/13. Can fluctuate considerably with Kernot Hall numbers.  |
| <b>Total Attendees</b>                  | <b>78,188</b>      | <b>86,426</b>    | <b>93,228</b>    |   |
| Total Performances                      | 81                 | 108              | 131              | 122% increase to service latent audience demand and drive growth  |
| Total Functions/Events                  | 231                | 231              | 231              | 44% increase largely reflecting demographic growth  |





|  | Conservative<br>\$ | Mid-Range<br>\$ | Ambitious<br>\$ | Comparison between Mid-Range Scenario<br>and 2013/14 Actual Results   |
|--|--------------------|-----------------|-----------------|---|
| Total All Events                                   | 312                | 339             | 362             |   |
| Number of Events per Week                          | 6.49               | 7.06            | 7.53            | On average 2 more events each week, across all venues taken together  |
| Average FTE  | 9.25               | 10.56           | 11.64           | 86% increase to service greater activity and bring in broader range of skills. Related to revenue so slightly higher than for Morwell option. See Section 6 |
| Square Metres under Management                     | 5,670              | 5,670           | 5,670           | Includes new theatre on Traralgon site, Kernot Hall and Moe Town Hall.  |
| Sponsorship and Donations per Performance Attendee | \$3.30             | \$2.47          | \$2.04          | New revenue stream. See Section 8   |



## LPACC Community Engagement Methods and Contacts

Please find following the engagement that has taken place during Phase 1 of the project:

### Telephone Interviews

| Organisation   | Interviewee          | Interviewer | Status                             |
|--|----------------------|-------------|------------------------------------|
| Latrobe Theatre Company                              | Bernie Detering      | Geografia   | Could not confirm                  |
| Latrobe and Francis Orchestra                        | Joseph Bonnici       | Geografia   | Interviewed 20/3                   |
| Break a Leg Theatre Company                          | Dan Clancey          | Geografia   | Dan attended the first focus group |
| Advance Morwell                                      | Keith Brownbill      | Geografia   | Interviewed 20/3                   |
| Traralgon Chamber of Commerce                        | Darren Howe          | Geografia   | Interviewed 18/3                   |
| Latrobe City Business Tourism Association            | Peter Ceeney         | Geografia   | Interviewed 18/3                   |
| Moe Traders Association                              | Christine Waterhouse | Geografia   | Interview arranged                 |
| Tourism Advisory Board                               | Cr Darrell White     | Geografia   | Cr attended the final focus group  |
| Theatre Gippsland                                    | Rob Robson           | Geografia   | Interviewed 20/3                   |
| Here, There & Everywhere Theatre Company             | Phillip Mayer        | Geografia   | Could not confirm                  |
| Regional Arts Victoria                               | Kane Forbes          | Geografia   | Could not confirm                  |
| The Victorian Association of Performing Arts Centres | David Lloyd          | Geografia   | Could not confirm                  |
| The Victorian Association of Performing Arts Centres | Jenny Ryssenbeek     | Geografia   | Interviewed                        |
| Strzelecki Showtime                                  | Fiona Flanigan       | Geografia   | Could not confirm                  |
| Creative Victoria                                    | Fay Chomley          | Geografia   | Interviewed                        |
| LCC Coordinator Events and IR                        | Jason Membrey        | Geografia   | Interviewed 18/3                   |
| Portland Arts Centre                                 | Karl Hatton          | Geografia   | Interviewed                        |
| LCC Performing Arts                                  | Kathleen Roberts     | Geografia   | Interviewed 17/3                   |
| Regional Development Victoria                        | Diane Tremigliozi    | Geografia   | Interviewed 16/3                   |
| Wangaratta Cultural Centre                           | Penny Hargreaves     | Geografia   | Interviewed 20/3                   |
| Latrobe City Council – Economic Sustainability       | Geoff Hill           | Geografia   | Interviewed 20/3                   |

### Focus Groups - 5&6 March 2015

| Organisation | Attendee | Interviewer |
|--------------|----------|-------------|
|--------------|----------|-------------|

|   |                   |           |
|---|-------------------|-----------|
| Latrobe Theatre Company and Latrobe Valley Eisteddfod | Judy Degnan       | Geografia |
| Latrobe Valley Eisteddfod                             | Rosemary Lansmore | Geografia |
| Latrobe Valley Eisteddfod                             | Marie Moulton     | Geografia |
| Boolarra Folk Festival                                | Ariane Ramsay     | Geografia |
| Break a Leg Theatre Company and Nanoo Nanoo           | Dan Clancey       | Geografia |
| Gippsland Acoustic Music Club                         | Barbara Brabets   | Geografia |
| Moe/Newborough Dance Eisteddfod                       | Anna McKenzie     | Geografia |
| LCC Manager Infrastructure Maintenance                | Jody O'Kane       | Geografia |
| Latrobe Theatre Company/Break a Leg Theatre Company   | Lawrie Fildes     | Geografia |
| LCC Coordinator Tourism                               | Linda Brock       | Geografia |
| GECC  | Christine Lee     | Geografia |
| Latrobe Regional Gallery Advisory Committee           | Cr Daryl White    | Geografia |

Please find following the engagement that has taken place during Phase 2 of the project:

#### Community Information Sessions

| Where                    | Where                          |
|--------------------------|--------------------------------|
| Moe Library              | Tuesday 5 May 2015 6pm – 7pm   |
| Traralgon Service Centre | Wednesday 6 May 2015 6pm – 7pm |
| Morwell HQ Nambur Wariga | Thursday 7 May 2015 6pm – 7pm  |

| Where                    | When                           | Attendees        |
|--------------------------|--------------------------------|------------------|
| Moe Library              | Tuesday 5 May 2015 6pm – 7pm   | 6                |
| Traralgon Service Centre | Wednesday 6 May 2015 6pm – 7pm | Approximately 25 |
| Morwell HQ Nambur Wariga | Thursday 7 May 2015 6pm – 7pm  | 4                |

**13.3 Latrobe City Inbound Sister City Delegations****General Manager****Planning & Economic  
Sustainability****For Decision****PURPOSE**

The purpose of this report is to present to Council information relating to the previous Sister City visits Latrobe City has received in accordance with a resolution motion of Council.

**EXECUTIVE SUMMARY**

Information relating to the previous Sister City visits Latrobe City has received is provided to Councillors for their information and consideration.

Latrobe City's International Relations Program has been an integral component of Council operations since 2000 and currently Latrobe City has two formal sister city relationships; with Takasago City, Japan and the City of Taizhou, China.

The Sister City program allows for international exchange and cooperation in the fields of economy, trade, science and technology, cultural exchange, education, sports, health and people.

Inbound delegations have been a significant part of the Sister Cities program since its inception and have included sports exchanges, cultural exchanges, business delegations and education delegations. In addition to Council's Sister Cities inbound delegations, several of the City's Educational Institutions are leveraging off Latrobe City's Sister Cities relationships.

Following a report to Council on 13 April 2015 in relation to the 2015/16 sports exchange program, the following foreshadowed motion was adopted:

*That a report come back to Council detailing what visits we have received from our Sister Cities when, for what, and the duration of the stay.*

A total of 34 inbound delegations have been recorded since the program's inception with approximately 364 participants.

**RECOMMENDATION**

**That Council notes the information relating to Sister City inbound delegations provided in this report.**

**DECLARATION OF INTEREST**

No officer declared a conflict of interest under the *Local Government Act 1989* in the preparation of this report.



### **STRATEGIC FRAMEWORK**

This report is consistent with Latrobe 2026: The Community Vision for Latrobe Valley and the Latrobe City Council Plan 2013-2017.

The report is consistent with the Sister City Visits Policy which states..."Through cultural, educational and sporting exchanges, the program helps to break down intercultural barriers (encouraging) openness, tolerance and mutual understanding".

#### *Latrobe 2026: The Community Vision for Latrobe Valley*

##### *Strategic Objectives - Culture*

*In 2026, Latrobe Valley celebrates the diversity of heritage and cultures that shape our community, with activities and facilities that support the cultural vitality of the region.*

#### *Latrobe City Council Plan 2013 - 2017*

##### *Theme 4: Advocacy for and consultation with our community*

*Strategic Direction – Establish a strong image and brand for Latrobe City as one of Victoria's four major regional cities.*

*Establish opportunities for volunteers to assist in raising the profile of Latrobe City.*

#### *Strategy – Latrobe City International Relations Plan 2011-2014*

Key Objectives:

1. **COMMUNICATION ACTIVITIES** – To further enhance the Latrobe City's community understanding of the value of our International Relations Program.
2. **INTERNATIONAL INVESTMENT** - To continue to promote Latrobe City as an international investment location.
3. **ECONOMIC AND CULTURAL STRENGTHS** - To market the economic and cultural strengths of Latrobe City internationally.
4. **INTERNATIONAL STUDENTS** - To enthusiastically promote Latrobe City as a destination for international students.
5. **COMMUNITY INVOLVEMENT** – To expand and make accessible the range of existing cultural, sporting, educational and youth exchange opportunities for the residents of Latrobe City.
6. **FUNDING OPPORTUNITIES** - To pursue funding assistance opportunities that will facilitate meeting the objectives of the International Relations Plan.

7. **SISTER CITIES** – To develop, nurture and further enhance our relationship with sister cities.
8. **COMMUNITY ENGAGEMENT** - To positively engage with individual groups and organisations for the benefit of the Latrobe City community.

### **BACKGROUND**

Latrobe City is committed to an International Relations Program and currently has two formal sister city relationships; with Takasago City, Japan and the City of Taizhou, China.

The Sister City program allows for international exchange and cooperation in the fields of economy, trade, science and technology, cultural exchange, education, sports, health and people.

Our long term sister city relationships with Taizhou, China and Takasago, Japan displays trust with our Asian economic and business connections and provides us with credibility when negotiating or selling the great benefits of our city. It acts as a springboard and catalyst for new investment and knowledge-sharing opportunities, while also promoting tourism, inbound education and providing a platform from which we can address global issues with our international partners.

The programs operate to the Latrobe City Sister Cities Agreement which states the following:

#### Taizhou, China

*To carry out in accordance with principles of equality and mutual benefit, exchanges and cooperation in various forms in the fields of economy, trade, science and technology, culture, education, sports, health, personnel, etc. to promote common prosperity and development, promote cultural and friendship exchanges between our two cities.*

*Regular contacts shall be maintained between the leaders and relevant departments of the two cities to facilitate consultations on the exchanges and cooperation as well as matters of common concern.*

#### Takasago, Japan

*To deepen the understanding and friendship between the two cities through programs in such fields as education, culture, sports and industry.*

*Our intent that this relationship will contribute to promoting better relations between the two countries and consequently to the peace and prosperity of the world.*

In addition to inbound delegations and outbound exchanges, several of Latrobe City's Educational Institutions are leveraging off Latrobe City's Sister Cities relationships. Four schools have active Sister School arrangements with equivalent schools in Taizhou, China; Lowanna Secondary College, Kurnai College, Traralgon College and Liddiard Road

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Primary School. Furthermore, Federation University is pursuing collaborative partnerships with both the Taizhou University and Taizhou Polytechnic.

Whilst Japanese language is already widely taught in schools throughout Latrobe City, Chinese language classes are also being introduced to schools through a Federal Government initiative to create closer links with Asia. To date, Kurnai, Lowanna, Traralgon Colleges, Liddiard Road Primary School, Grey Street Primary School and Elizabeth Street Primary School are involved.

Following a report to Council on 13 April 2015 in relation to the 2015/16 sports exchange program, the following foreshadowed motion was adopted:

*That a report come back to Council detailing what visits we have received from our Sister Cities when, for what, and the duration of the stay.*

### **KEY POINTS/ISSUES**

Since 2000, Latrobe City has hosted the following inbound delegations from Taizhou, China and Takasago, Japan:

| <b>Year</b> | <b>Sister City</b> | <b>Purpose</b>   | <b>Participants</b> | <b>Duration</b> |
|-------------|--------------------|--|---------------------|-----------------|
| 2000        | Takasago           | Cultural Exchange  | 10                  | 3 Days          |
| 2000        | Taizhou            | Business Delegation (Healthcare Facilities)                                  | 6                   | 4 days          |
| 2001        | Takasago           | Cultural Exchange  | 14                  | 4 days          |
| 2001        | Taizhou            | Cultural Exchange (Children's Performing Arts Delegation)                    | 20                  | 10 days         |
| 2002        | Takasago           | Cultural Exchange  | 14                  | 4 days          |
| 2002        | Taizhou            | Business Delegation (Healthcare, Tertiary Education and Sporting Facilities) | 6                   | 4 days          |
| 2002        | Taizhou            | Cultural Exchange (Artist In Residence Program)                              | 1                   | 10 days         |
| 2003        | Taizhou            | Business Delegation (Healthcare and Tertiary Education Sectors)              | 6                   | 4 days          |
| 2003        | Taizhou            | Business Delegation (Education Sector)                                       | 6                   | 4 days          |
| 2004        | Takasago           | Cultural Exchange  | 14                  | 5 days          |
| 2005        | Takasago           | Cultural Exchange  | 7                   | 4 days          |
| 2006        | Takasago           | Cultural Exchange  | 14                  | 5 days          |

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

|      |          |   |    |        |
|------|----------|---|----|--------|
| 2007 | Takasago | Business Delegation<br>(Ex BCLV employees)                      | 9  | 4 days |
| 2007 | Takasago | Education Exchange<br>(Short term teachers<br>exchange program) | 1  | 6 days |
| 2007 | Takasago | Cultural Exchange   | 16 | 8 days |
| 2008 | Takasago | Cultural/Music<br>Exchange                                      | 31 | 5 days |
| 2008 | Taizhou  | Education Delegation  | 4  | 3 days |
| 2008 | Taizhou  | Business Delegation   | 4  | 4 days |
| 2009 | Taizhou  | Business Delegation   | 6  | 4 days |
| 2010 | Taizhou  | Business Delegation<br>(Education Sector)                       | 6  | 4 days |
| 2010 | Taizhou  | Education Delegation  | 11 | 4 days |
| 2010 | Taizhou  | Business Delegation   | 8  | 3 days |
| 2010 | Taizhou  | Education Delegation  | 5  | 4 days |
| 2010 | Takasago | Cultural Exchange   | 10 | 4 days |
| 2011 | Taizhou  | Education Delegation  | 5  | 3 days |
| 2012 | Taizhou  | Education Delegation  | 36 | 4 days |
| 2013 | Takasago | Sports Exchange   | 19 | 4 days |
| 2013 | Taizhou  | Education Delegation  | 5  | 3 days |
| 2013 | Taizhou  | Education Delegation  | 25 | 4 days |
| 2013 | Taizhou  | Education Delegation  | 11 | 4 days |
| 2014 | Taizhou  | Cultural Exchange   | 10 | 4 days |
| 2014 | Taizhou  | Business Delegation<br>(Taizhou Auditing<br>Bureau)             | 6  | 2 days |
| 2015 | Taizhou  | Education Delegation  | 6  | 4 days |
| 2015 | Takasago | Sports Exchange   | 12 | 5 days |

Cultural exchanges refer to such things as: school art exchanges, specific school exchanges etc.

Education delegation – sister school related exchanges and other bodies that visit including Taizhou Board of Education etc.

As mentioned previously, the inbound delegations have many cultural, social and education benefits but they also provide economic benefits to Latrobe City. Whilst we don't record the actual economic impact in a dollar sense, the participants as part of these delegations are based in the region which results in specific economic value to the region.

### **RISK IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management framework.

There is not considered to be any risks associated with this report.

**FINANCIAL AND RESOURCES IMPLICATIONS**

There are no financial or resource implications as part of this report.

**INTERNAL/EXTERNAL CONSULTATION**

*Engagement Method Used:*

Those schools that have sister city relationships with Taizhou have been consulted as part of the preparation of this report.

**OPTIONS**

Council has the following options available:

1. Note the information provided in this report.
2. Request further information in relation to this report.

**CONCLUSION**

Latrobe City is committed to an International Relations Program and currently has two formal sister city relationships; with Takasago City, Japan and the City of Taizhou, China that allows for international exchange and cooperation in the fields of economy, trade, science and technology, cultural exchange, education, sports, health and people.

Inbound delegations have been a significant part of the Sister Cities program since its inception and have included sports exchanges, cultural exchanges, business delegations and education delegations.

**SUPPORTING DOCUMENTS**

Nil

**Attachments**

1. Taizhou Sister City Agreement
2. Takasago Sister City Agreement

## **13.3**

### **Latrobe City Inbound Sister City Delegations**

- 1 Taizhou Sister City Agreement..... 167**
- 2 Takasago Sister City Agreement..... 169**

**RE-AFFIRMATION OF THE SISTER CITY AGREEMENT  
BETWEEN CITY OF TAIZHOU, JIANGSU PROVINCE, CHINA  
AND LATROBE CITY, VICTORIA, AUSTRALIA**

*On 7 March, 2000 Taizhou City and Latrobe City became Sister Cities.*

*This year we celebrate the 10th anniversary of this relationship.*

*In the original "Declaration of the Sister City Agreement", we agreed:*

- *To carry out in accordance with principles of equality and mutual benefit, exchanges and cooperation in various forms in the fields of economy, trade, science and technology, culture, education, sports, health, personnel, etc. to promote common prosperity and development, promote cultural and friendship exchanges between our two cities.*
- *Regular contacts shall be maintained between the leaders and relevant departments of the two cities to facilitate consultations on the exchanges and cooperation as well as matters of common concern.*

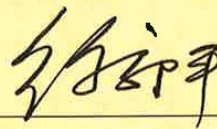
*Today, we have realized many of our dreams.*

*Now and in the future, we hope to strengthen the friendships between the citizens of our two cities. This will help to strengthen the relationship between Australia and China, and contribute to world peace.*

*Dated this 9<sup>th</sup> day of October, 2010*



*Councillor Kellie O'Callaghan  
Mayor of Latrobe City  
Victoria, Australia*



*Xu Guoping  
Mayor of Taizhou City  
Jiangsu Province, China*

## 中华人民共和国江苏省泰州市与 澳大利亚维多利亚州拉特罗布市 友城合作声明

泰州市与拉特罗布市于2000年3月7日正式缔结友好城市关系。

今年，我们庆祝友城结好10周年。

在友好城市协议书中，双方达成以下共识：

- 在平等互利的原则下，在经济、贸易、科技、文化、教育、体育、卫生、人才等方面开展交流与合作，以促进两市间共同繁荣发展，促进双方文化和友好交流。
- 两市间领导和相关部门间保持定期联系，商讨交流与合作以及双方共同关心的问题。

今天，我们实现了很多梦想。

今后，我们希望加深两市人民间的友谊。这有助于加深中澳两国友谊，并为世界和平做出贡献。

2010年10月9日



中国江苏省  
泰州市代市长  
徐郭平



澳大利亚维多利亚州  
拉特罗布市市长  
凯莉·欧凯乐根





**RE-AFFIRMATION OF THE SISTER CITY AGREEMENT  
BETWEEN TAKASAGO CITY, HYOGO JAPAN AND LATROBE  
CITY, VICTORIA, AUSTRALIA**

*On 12 October, 2000 Takasago City and Latrobe City became Sister Cities.*

*This year we celebrate the 10th anniversary of this relationship.*

*In the original "Declaration of the Sister City Agreement", we agreed:*

- *To deepen the understanding and friendship between the two cities through programs in such fields as education, culture, sports and industry.*
- *Our intent that this relationship will contribute to promoting better relations between the two countries and consequently to the peace and prosperity of the world.*

*Today, we have realized many of our dreams.*

*Now and in the future, we hope to strengthen the friendships between the citizens of our two cities. This will help to strengthen the relationship between Australia and Japan, and contribute to world peace.*

*Dated this 17<sup>th</sup> day of October, 2010*

*Councillor Kellie O'Callaghan  
Mayor of Latrobe City  
Victoria, Australia*

*Mayor Mr Yukihito Nobori  
Takasago City  
Hyogo, Japan*

**13.4 Amendment C94 - Parking Overlay Traralgon and Morwell -  
Consideration of Submissions**

**General Manager**

**Planning & Economic  
Sustainability**

**For Decision**

**PURPOSE**

The purpose of this report is for Council to consider all written submissions received in response to proposed Amendment C94 and to seek Council approval to progress the amendment to the next stage. The amendment proposes to apply the Parking Overlay to land within the Traralgon and Morwell Activity Centres and to insert the *Car Parking Framework Review August 2014* as a reference document into the Scheme.

**EXECUTIVE SUMMARY**

The amendment implements the Parking Overlay to reduce state government scheduled car parking rates in Traralgon and Morwell and introduce cash-in-lieu contributions in Traralgon for car parking that cannot be met onsite.

The Car Parking Project for Traralgon and Morwell has been divided into two stages: Stage One - Applying a Parking Overlay and Stage Two - Complementary Measures (parking use and other mechanisms). The complementary measures will address time allocation parking within the Traralgon and Morwell Activity Centres and is budgeted to commence in the 2015/16 financial year.

Following the public exhibition of Amendment C94 a total of eight written submissions were received by Latrobe City Council. This report presents all eight submissions received to Amendment C94 and outlines the issues raised by each submitter (see Attachment One).

Given that submissions request a change to Amendment C94 that cannot be satisfied, Council must either request the Minister for Planning to establish a planning panel to progress the amendment to the next stage or abandon the amendment. It is recommended that Council request an independent panel to consider all submissions.

**RECOMMENDATION**

**That Council:**

- 1. Having considered all written submissions received to Amendment C94 requests the Minister for Planning establish a planning panel to consider submissions for Amendment C94 and prepare a report; and**
- 2. Advises those persons who made written submissions to Amendment C94 of Council's decision.**

### **DECLARATION OF INTEREST**

No officer declared a conflict of interest under the *Local Government Act 1989* in the preparation of this report.

### **STRATEGIC FRAMEWORK**

This report is consistent with Latrobe 2026: The Community Vision for Latrobe Valley and the Latrobe City Council Plan 2013-2017.

#### *Latrobe 2026: The Community Vision for Latrobe Valley*

##### *Strategic Objectives – Built Environment (City Planning)*

In 2026, Latrobe Valley benefits from a well planned built environment that is complementary to its surroundings, and which provides for a connected and inclusive community.

Latrobe City is a vibrant and diverse community. Council is ensuring that the changing needs and aspirations of our diverse community are met by providing facilities, services and opportunities that promote an inclusive and connected community.

#### *Latrobe City Council Plan 2013 - 2017*

##### *Theme and Objectives*

##### *Theme 5: Planning for the future*

*To provide a well planned, connected and liveable community.*

*To provide clear and concise policies and directions in all aspects of planning.*

##### *Strategic Direction – Planning for the future*

Provide efficient and effective planning services and decision making to encourage development and new investment opportunities.

Plan and coordinate the provision of key services and essential infrastructure to support new growth and developments

##### *Legislation*

The provisions of the Latrobe Planning Scheme are discussed in the Background section of this report. The following legislation applies to this amendment:

- *Local Government Act 1989*
- *Planning and Environment Act 1987*
- *Transport Integration Act 2010*

The proposed amendment is consistent with the Latrobe Planning Scheme and the applicable legislation.

### **BACKGROUND**

Traralgon Activity Centre Car Parking Strategy (2013) and Morwell Activity Centre Car Parking Study (2012) have been consolidated to form the *Car Parking Framework Review August 2014* (The Review). The Review and subsequent studies have identified that current parking supply in Traralgon and Morwell is adequate to meet current demands, however a number of locales may experience hotspots in parking availability at certain times. This planning scheme amendment allows Latrobe City to consider statutory parking rates specific to Traralgon and Morwell, replacing the default rates reflecting metropolitan Melbourne that are currently in the Latrobe Planning Scheme.

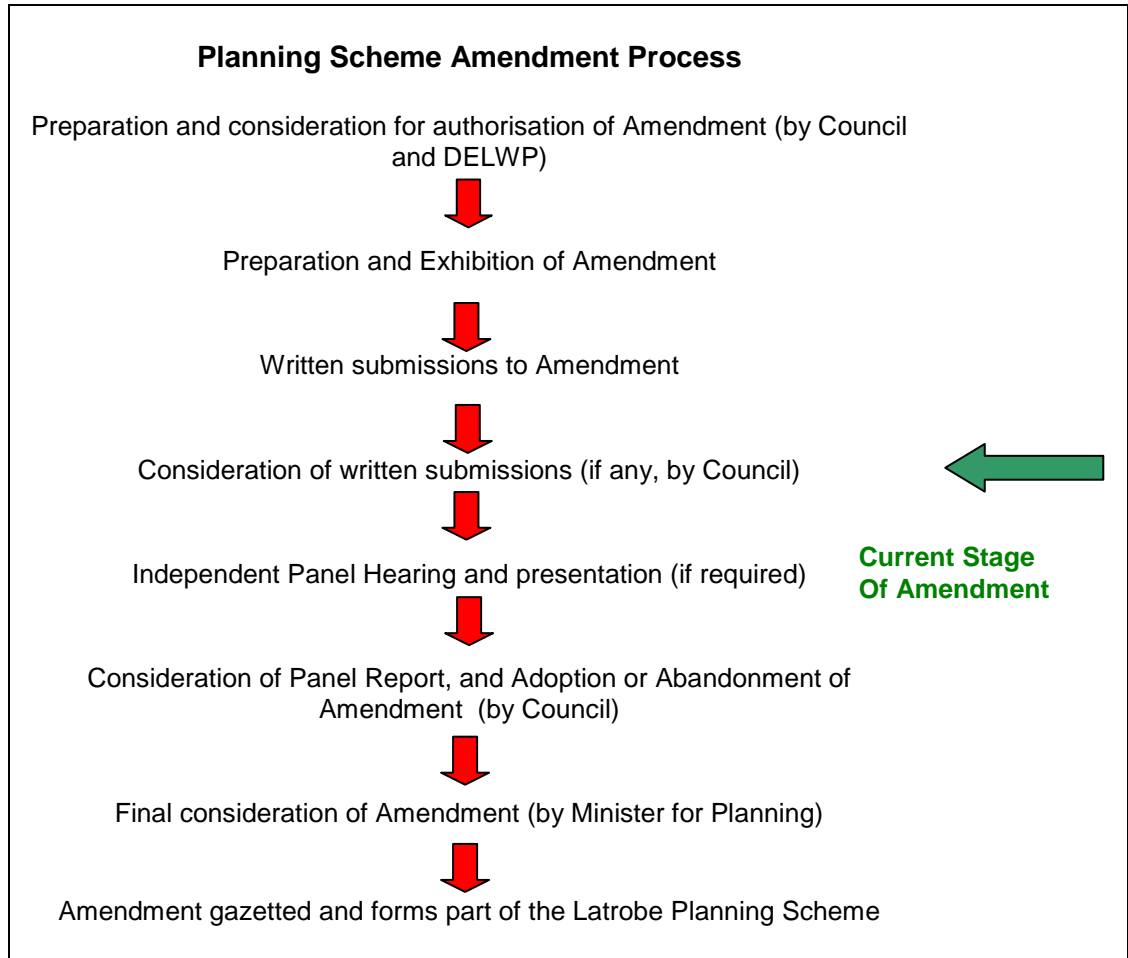
In order to give effect to the Review, planning scheme amendment C94 is proposed which will introduce a Parking Overlay for Traralgon and Morwell. The Parking Overlay will reduce car parking rates in Traralgon and Morwell in line with the recommendations of the Review. The Parking Overlay will also introduce a cash-in-lieu contribution for car parking unable to be supplied by applicants in Traralgon through the planning permit process, to help fund future car parking solutions. The Parking Overlay is proposed to be introduced over parts of the Traralgon and Morwell Activity Centres (see Attachment Two and Three).

In addition to the planning scheme amendment C94, Stage Two – Complementary Measures has been funded for 2015/16. Stage Two - Complementary Measures is required to address issues such as time allocation, all access car parking, permit allocation and a review of parking enforcement practices. These 'Complementary Measures' will noticeably improve car parking provisions and are essential to improving car parking arrangements in Traralgon concurrently with the proposed planning scheme amendment.

### **Statutory Requirements - The Planning Scheme Amendment Proposal C94**

The proposal is consistent with the State Planning Policy Framework at Clause 11 - Settlement and Clause 18 – Transport. The proposal is also consistent with the Municipal Strategic Statement (MSS) at Clause 21.05 – Main Towns and Clause 21.07 – Economic Sustainability; by encouraging the development of new retail, office and residential mixed use developments within the Traralgon and Morwell Activity Centres and the implementation of the Transit City principles to attract new investment opportunities. This is further explained in the attached C94 Explanatory Report (see Attachment Four).

The C94 planning scheme amendment process is shown in the figure below and provides an indication of the current stage of C94.



In accordance with the Act, the municipal council, as a planning authority, has a number of duties and powers. These duties and powers are listed at Section 12 of the Act. Under Section 12 a planning authority must have regard to (*inter alia*):

- The objectives of planning in Victoria;
- The Minister's directions;
- The Victoria Planning Provisions;
- The Latrobe Planning Scheme;
- Any significant effects which it considers a planning scheme amendment might have on the environment or which it considers the environment might have on any use or development envisaged by the amendment.

At the Ordinary Council Meeting on 9 February 2015 Council resolved to seek Authorisation from the Minister for Planning to prepare and exhibit the proposed Amendment C94.

**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

The Minister for Planning in accordance with Sections 8A(3) of the *Planning and Environment Act 1987*, authorised Council to prepare and exhibit the proposed Amendment C94 on 24 February 2015.

Amendment C94 was placed on public exhibition for six weeks during the period 30 March 2015 to 8 May 2015.

Sections 22 and 23 of the Act require that Council must consider all submissions received to C94 and where a submission requests a change that cannot be satisfied, request the Minister for Planning to establish a planning panel to consider submissions.

The recommendations of this Council Report are in accordance with Sections 22 and 23 of the Act.

Amendment C94 has had regard to Section 12 of the Act and is consistent with the requirements of Section 12. In addition, each amendment must address the Department of Land, Water and Planning (DELWP) publication *Strategic Assessment Guidelines for Planning Scheme Amendments (July 2014)*. A response to these guidelines is outlined in the attached C94 Explanatory Report (see Attachment Four).

The proposal is consistent with the State Planning Policy Framework and requires changes to the Municipal Strategic Statement (MSS). This is explained in the attached C94 Explanatory Report (see Attachment Four).

**INTERNAL/EXTERNAL CONSULTATION**

In addition to the consultation undertaken during the Traralgon Activity Centre Car Parking Strategy and the Morwell Activity Centre Car Parking Study, C94 was placed on public exhibition for a period of 6 weeks from 30 March 2015 until 8 May 2015.

As part of the community consultation process council officers have posted approximately 1100 letters and C94 documentation to the following groups:

- Owners and occupiers inside the proposed Traralgon and Morwell Parking Overlay area (see Attachment Two and Three).
- Community and business groups in Traralgon and Morwell.
- Statutory agencies, referral authorities and council officers.

To further promote the community consultation process, 3 public notices calling for feedback were published in the Latrobe Valley Express on 30 March 2015, 2 April 2015 and 9 April 2015. In addition, a news article appeared in the Latrobe Valley Express regarding the proposed Parking Overlay on 2 March 2015.

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

Further notification was provided to all recipients of Latrobe City's Business e-Newsletter (1017 recipients) on April 7 2015 and a radio discussion was broadcast over the local radio station 3TR FM on 24 February 2015 on the morning drive show.

Notice of Amendment C94 was published in the government gazette on 2 April 2015.

Information associated with the C94 proposal were (and still are) available for public viewing on Latrobe City Council's website both on the 'Have a Say' page and in the current amendment web page and hardcopies at Latrobe City Council's service centres.

One on one sessions were offered to interested parties to discuss individual concerns regarding C94 in both Traralgon and Morwell. Council Officers also met with Traralgon Chamber of Commerce and the Traralgon Community Development Association to discuss impacts of the Parking Overlay, particularly the proposed cash-in-lieu component over Traralgon. Council officers have also answered 35 phone enquiries from the community discussing potential impacts of Amendment C94.

### **KEY POINTS/ISSUES**

C94 was placed on public exhibition for a period of 6 weeks from 30 March 2015 to 8 May 2015. A total of 8 written submissions were received in response to the public exhibition process. Councillors were provided with an overview of the C94 submissions on 1 June 2015. Section 22 of the Act requires that a planning authority consider all submissions received to an amendment.

Table 1 Submission Summary

| Amendment C94 Submissions |   |
|---------------------------|---|
| Support                   | 2 |
| Object                    | 3 |
| Neutral                   | 4 |
| Total Submissions         | 8 |

Note: some submissions were in support of and objected to different submission themes. Therefore the number of submission types does not add up to the total number of submitters.

As part of the amendment two submissions were received supporting the application of a cash-in-lieu component which will assist Council in the future provision of car parking in the Traralgon Activity Centre. Three of submissions were received that were outside the scope (i.e. neutral) and are suited more to the Complementary Measures project. Three objections were also received related to the cash-in-lieu component only in Traralgon and submitters view that this may hinder business development. The remaining submissions raised concerns related to the governance of Council's existing Statutory Carparking Reserve equity account.

Each submission has been summarised and has been presented in a table along with a planning response to each submission made (see Attachment One). A brief summary of the key issues from the C94 submissions and phone enquiries are provided below.

#### Existing Businesses and Homes at the Current Size

During the exhibition period many of the phone enquiries were current business and homes inside the proposed Parking Overlay area. The Parking Overlay is the main land use planning tool council can use to influence future parking provision in Traralgon and Morwell. It would apply to planning applications for new uses or changes to existing uses which would increase parking demand. Existing business' and homes at their current size will not be impacted.

#### Lower retail demand forecast for Morwell than Traralgon

Three submissions objected to the cash-in-lieu contribution which is only proposed for Traralgon. The Review outlines that in Morwell, a cash-in-lieu scheme is not considered appropriate at this time, as the activity centre is already experiencing impediments to development, including a low growth population, division of the centre by the railway line, high vacancy rates and competing retail facilities at Mid Valley and Traralgon.

#### Traralgon will need future provision of parking

Two submissions supported the need for a cash-in-lieu contribution in Traralgon to fund new car parking provisions within the Traralgon Activity Centre. The Review outlines that new car parking will be required to be constructed in Traralgon to meet future demands generated by the increase in population and predicted increase in retail floor space.

#### The Cash-in-Lieu Figure in Traralgon

Three submissions objected to the cash-in-lieu contribution which is only proposed for Traralgon. The Review notes that in Traralgon, a cash-in-lieu contribution should be encouraged in preference to large private parking facilities to maintain vibrancy of the centre. It is considered that shared public parking resources are more efficient than private parking, and this is demonstrated by surveys in both Car Parking Strategies, which suggest an underutilisation of private parking and a high demand for public parking. Amendment C94 applies an \$8000 cash-in-lieu figure.

A number of factors were considered in deriving an appropriate cash-in-lieu value including:

- Not discouraging development of the activity centre.
- The cash-in-lieu amount does not need to cover the full cost of providing car parking.
- Council would not need to construct one car space for every space for which cash-in-lieu is paid (due to day time vs night time use).
- Consideration of equity between existing and future developments noting that historically almost exactly 50% of the existing parking supply has been publicly provided.



**Governance of the Car Parking Fund:**

A number of the submissions raised concerns regarding the governance of the Car Parking Fund and how Council will utilise funds moving forward. A Latrobe City Council statutory car parking fund exists where all contributions received are transferred out of consolidated revenue and into a Statutory Carparking Reserve equity account on a monthly basis. The amount in the 'Off Street Parking Contributions Reserve' is reported separately in the Annual Report at 'Note 18 Restricted Assets'; however this is not currently separated into townships.

The Statutory Carparking Reserve account can only be expended inside the respective town activity centres and must meet the requirements of need, nexus, accountability and equity.

**RISK IMPLICATIONS**

Risk has been considered as part of this report and the recommendations of this report are considered to be consistent with the Risk Management framework.

There are a number of risks associated if this planning scheme amendment does not progress:

- lack of suitable parking in the future making the Activity Centres less viable and attractive for investment;
- lack of funds to construct future required parking infrastructure
- inadequate strategic justification at VCAT to defend planning permit decisions related to car parking issues.

**FINANCIAL AND RESOURCES IMPLICATIONS**

The prescribed fees for planning scheme amendments are detailed in the *Planning and Environment (Fees) Regulations 2012*. The costs associated with a planning scheme amendment include: considering a request to amend a planning scheme, consideration of submissions, providing assistance to a panel and adoption and approval of an amendment.

Funds have been allocated in the current 2015/16 budget year to enable the planning scheme amendment to proceed.

**OPTIONS**

The options available to Council are as follows:

1. That Council, after considering all written submissions received to Amendment C94, resolves to request the Minister for Planning to establish a planning panel to consider submissions and prepare a report.

**Or**

**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

2. That Council, after considering all written submissions received to Amendment C94, resolves to abandon the exhibited planning scheme amendment and inform the Minister for Planning.

The recommendation to Council is to support Option 1.

**CONCLUSION**

The proposed amendment provides the opportunity to introduce a Parking Overlay over the Traralgon and Morwell Activity Centres. The amendment was identified as a high priority in the Latrobe Planning Scheme Review Report and will contribute to ensuring the Morwell and Traralgon Activity Centres remain viable as an attractive location for investment. The amendment will ensure Council has a contribution to the provision of future parking infrastructure and will ensure Council has strategic justification required to support decision making, particularly regarding land use planning matters.

The two stage approach will address key community concerns in the Activity Centres of Traralgon and Morwell, introduce a reduction of car parking requirements suitable for a regional centre and apply a cash-in-lieu figure that has met requirements of need, nexus, accountability and equity. Stage Two – Complementary Measures is budgeted to commence in the 2015/16 year.

Three objections remain unresolved, which relate to the cash-in-lieu contribution over Traralgon only. Predicted population and retail growth in Traralgon will require the provision of more car parking spaces inside the Traralgon Activity Centre. Given that a number of submissions are requesting changes to Amendment C94 that cannot be satisfied, Council must request the Minister for Planning establish a planning panel to progress the amendment to the next stage.

**Attachments**

1. Attachment One: C94 Response to Submissions
2. Attachment Two: Proposed Parking Overlay Traralgon
3. Attachment Three: Proposed Parking Overlay Morwell
4. Attachment Four: C94 Explanatory Report

## **13.4**

### **Amendment C94 - Parking Overlay Traralgon and Morwell - Consideration of submissions**

- 1 Attachment One: C94 Response to Submissions..... 181**
- 2 Attachment Two: Proposed Parking Overlay Traralgon ..... 187**
- 3 Attachment Three: Proposed Parking Overlay Morwell ..... 189**
- 4 Attachment Four: C94 Explanatory Report ..... 191**

## Summary of Submissions – Amendment C94 Traralgon and Morwell Parking Overlay

| Submission Number | Submitter   | Submission Issue   | Planning Response  | Changes to PSA Documentation Required |
|-------------------|---|--|--|---------------------------------------|
| 1                 | Department of Economic Development, Jobs, Transport and Resources | <p>Submission of support:</p> <ul style="list-style-type: none"> <li>The submitter states that the Parking Overlay for Traralgon will provide Council with the opportunity to plan car parking in accordance with the State Planning Policy Framework. The improvement of safety and amenity for pedestrians, cyclists and the better use of public transport are seen as important in encouraging active transport and a healthy lifestyle.</li> <li>The submitter notes that the overlay meets the objectives of the <i>Transport Integration Act 2010</i>.</li> </ul> | Noted.   | No                                    |
| 2                 | Traralgon Community Development Association                       | <p>Part Support, Part Objection:</p> <ul style="list-style-type: none"> <li>The main concern is the \$8000 'cash-in-lieu' payment that developers are required to pay when initiating new developments in Traralgon, but no such provision for developments in Morwell. The submitter views this as an inequitable proposition, particularly in terms of the high rates paid by the Traralgon residents, with a very small return, compared with high Latrobe City Council (LCC) expenditure in the much smaller</li> </ul>  | <p><b>ISSUE: Why has the cash-in-lieu Contribution been applied to Traralgon and not Morwell</b></p> <p>The <i>Car Parking Framework Review (August 2014)</i> adopted by Council at the Ordinary 9 February 2015 Council Meeting describes the following:</p> <ul style="list-style-type: none"> <li>Growth of 10,500 people in Traralgon over 25 years, Morwell is expecting growth of 2000 people.</li> <li>Based on population increase in Traralgon the need to increase retail floorspace by approx. 15,750 square metres including a variety of retail floorspace categories</li> <li>A proportion of new retail floorspace is likely to be located in established or identified activity nodes</li> </ul> | No                                    |

|  |  |  |   |  |
|--|--|--|---|--|
|  |  | <p>towns of Morwell, Moe, Churchill, etc.</p> <ul style="list-style-type: none"> <li>The submitter supports 'cash-in-lieu' monies received by Latrobe City Council to be earmarked in a separate fund for expenditure on parking in Traralgon's CBD. The submitter supports the monies to be reflected in the LCC's future Budget forecasts, with full fiscal transparency.</li> </ul> | <p>outside the Traralgon Activity Centre.</p> <ul style="list-style-type: none"> <li>This analysis does not take account the future commercial (office) requirements.</li> <li>Based on a modest population increase in Morwell there will be an additional retail floorspace requirement of approximately 4,400 square metres, including 1,400 square metres of bulky goods floor space.</li> <li>It is not possible to predict whether additional retail floorspace will be located in the Morwell Activity Centre or at the Mid Valley Shopping Centre.</li> <li>However, it is noted that existing shop vacancies in Morwell Activity Centre easily exceed the future retail space requirements.</li> <li>To accommodate retail floorspace growth inside the Traralgon Activity Centre there will be a need to support the provision of more off street, shared car parking.</li> </ul> <p><b>ISSUE: Deriving the \$8000 cash-in-lieu figure</b></p> <ul style="list-style-type: none"> <li>In Traralgon, cash-in-lieu should be encouraged in preference to on-site customer parking on smaller development sites in particular to maintain vibrancy of the centre.</li> <li>Shared public parking resources are more efficient than private parking, and this is demonstrated by surveys which suggest an underutilisation of private parking and a high demand for public parking.</li> <li>A number of factors were considered in deriving an appropriate cash-in-lieu value:             <ul style="list-style-type: none"> <li>Not discouraging development of the activity centre.</li> <li>The cash-in-lieu amount does not need to cover the full cost of providing car parking.</li> <li>Council would not need to construct one car space</li> </ul> </li> </ul> |  |
|--|--|--|---|--|

|   |                 |   |   |    |
|---|-----------------|---|---|----|
|   |                 |   | <p>for every space for which cash-in-lieu is paid (due to day time vs night time use).</p> <ul style="list-style-type: none"> <li>• Consideration of equity between existing and future developments noting that historically almost exactly 50% of the existing parking supply being publicly provided.</li> <li>• It is recommended that having regard to the historical 'public' contribution of approximately 50% of the parking supply in the Traralgon activity centre, a discount of 50% is applied to the \$17,000 car space cost, corresponding to a cash-in-lieu contribution rate of \$8,500, or \$8,670 if a 2% administration fee is added.</li> <li>• C94 applies a \$8000 cash-in-lieu figure.</li> </ul> <p><b>ISSUE: Governance of the Car Parking Fund:</b><br/>A Latrobe City Council statutory car parking fund exists where all contributions received are transferred out of consolidated revenue and into a Statutory Carparking Reserve equity account on a monthly basis. The amount in the 'Off Street Parking Contributions Reserve' is reported separately in the Annual Report at 'Note 18 Restricted Assets'; however the Annual Report does not separate this in to townships.</p> |    |
| 3 | Joanne Campbell | Neutral:<br>The submitter seeks clarification if the Traralgon car parking fund contributions are put aside for upgrades to Traralgon Activity Centre Parking only. | <p><b>ISSUE: Governance of the Car Parking Fund: See Planning Response Submission Two.</b></p> <p><b>ISSUE: Cash-in-lieu contributions to be used inside the Traralgon Activity Centre</b><br/>The Statutory Carparking Reserve account can only be expended inside the respective town activity centres and must meet the requirements of need, nexus, accountability and equity.</p>  | No |

|   |                       |  |   |    |
|---|-----------------------|--|---|----|
| 4 | Jeff Andrews          | <p>Neutral:</p> <p>The submission relates to 'all day parking options' for Stockland Shopping Centre employees in particular:</p> <ul style="list-style-type: none"> <li>• Council owned Child Care centre on Franklin street (next to old Manny's market site) and future uses.</li> <li>• Potential to fully utilise ASIC parking.</li> <li>• Potential to fully utilise Ryan's Hotel Permit Parking area.</li> </ul>              | <p>Noted - Submission relates to Stage 2 Complimentary Measures funded by the 2015/16 financial year as a project to be undertaken by the Community Infrastructure and Recreation Division. Therefore the issues raised are outside the scope of C94.</p>   | No |
| 5 | Ron Draeger           | <p>Neutral:</p> <p>The submission raises a request for RV parking in Morwell.</p>  | <p>Noted - Submission relates to Stage 2 Complimentary Measures funded by the 2015/16 financial year as a project to be undertaken by the Community Infrastructure and Recreation Division. Therefore the issues raised are outside the scope of C94.</p>   | No |
| 6 | Trevor Doultree       | <p>Neutral:</p> <p>The submission relates to raising the elevation of the Princes Hwy to form an alternate proposed Traralgon bypass route to allow the creation of new car parking underneath the highway precinct.</p>   | <p>Noted - The Traralgon Bypass route has been determined. Submission has been forwarded for comment to VicRoads given the Princes Hwy is a VicRoads managed road. Therefore the issues raised are outside the scope of C94.</p>  | No |
| 7 | Breed Street Nominees | <p>Objection:</p> <p>The submitter suggests that C94 would impose a financial penalty of \$8,000 per car parking space should the clinic wish to expand in the future and couldn't provide any additional car parking spaces on site.</p> <p>The submitter notes that whilst the same parking overlay is proposed for both Morwell and Traralgon, only Traralgon businesses would have a financial impost to their developments.</p> | <p><b>ISSUE: Financial penalty for business at 37 and 39 Breed Street Traralgon if it wishes to expand</b></p> <p>The combination of the reduction of car parking (i.e. 75 of Column B) and existing floorspace to car parking ratio, allows for some expansion of 37 and 39 Breed St without imposing cash-in-lieu contribution; although would involve a consolidation of property titles. Expansions of existing buildings will benefit from the reduction of parking requirements under the Overlay.</p> <p><b>ISSUE: Why has the cash-in-lieu Contribution being applied to Traralgon and not Morwell: See Planning Response Submission Two.</b></p> | No |

|   |               |  |   |    |
|---|---------------|--|---|----|
|   |               | The submitter questions if there is equity of treatment for Traralgon and Morwell businesses.  |   |    |
| 8 | Graham Vibert | <p>Objection:</p> <ul style="list-style-type: none"> <li>The submitter has concerns that the <i>Car Parking Framework Review (August 2014)</i> is flawed because there is a car parking issue around Church St Morwell, where the Review demonstrates there is adequate parking.</li> <li>The submitter suggests that past car parking assets and prior cash-in-lieu contributions and the granting of permits with waiver of car parking requirements in Morwell have resulted in car parking pressure around Church St Morwell.</li> </ul> | <p><b>ISSUE: Car Parking Issues in Church St Morwell:</b><br/> The <i>Car Parking Framework Review</i> – Figure 4 Page 11 shows there is adequate parking in the northern precinct of the Morwell Activity Centre with the majority of the stressed parking located around the railway station. It is noted that the Stage 2 Complimentary Measures may assist with availability of all day car parking in this precinct.</p> <p><b>Issues relating to past car parking assets and prior cash-in-lieu contributions and the granting of permits with waiver of car parking requirements in precinct have been forwarded to the relevant departments for coordinated detailed response. These issues are outside the scope of Amendment C94.</b></p> | No |



LATROBE PLANNING SCHEME

~~13.4~~  
 Proposed C94

**SCHEDULE 1 TO THE PARKING OVERLAY**

Shown on the planning scheme map as **PO1**.

**TRARALGON ACTIVITY CENTRE**

**1.0 Car parking objectives to be achieved**

~~13.4~~  
 Proposed C94

To ensure that there is the appropriate provision of car parking spaces in the Traralgon Activity Centre Parking Precinct shown on Map 1 to this schedule and to maintain a balance between car parking supply and demand in the centre.

To provide for cash-in-lieu payments for car parking provision in the Traralgon Activity Centre Parking Precinct.

**2.0 Number of car parking spaces to be provided**

~~13.4~~  
 Proposed C94

If a use is specified in the Table below, the number of car parking spaces required for the use is calculated by multiplying the Rate specified for the use by the accompanying Measure.

For all other uses listed in Table 1 of Clause 52.06-5, the number of car parking spaces required for a use is calculated by using 75% of the Rate in Column B of that Table.

Where a use of land is not specified in Table 1 of Clause 52.06-5, before a new use commences or the floor area or site area of an existing use is increased, car parking spaces must be provided to the satisfaction of the responsible authority.

When the calculated number of parking spaces required is not a whole number, the required number of spaces is determined by rounding the calculated result down to the next lower whole number.

**Table 1: Car parking spaces**

| Use    | Rate | Measure                          |
|--------|------|----------------------------------|
| Office | 3    | To each 100sqm of net floor area |

**3.0 Permit requirement**

~~13.4~~  
 Proposed C94

A permit may be granted to reduce the number of car parking spaces as specified for a particular use under Clause 2 of this Schedule for a use and development within the Traralgon Activity Centre Parking Precinct provided a financial contribution is made in accordance with Clause 4 of this Schedule in lieu of the car park reduction.

**4.0 Financial contributions requirement**

~~13.4~~  
 Proposed C94

The responsible authority may consider accepting a financial contribution-in-lieu of one or more car parking spaces being provided on-site.

When car parking spaces are to be provided off-site the cash-in-lieu contribution per car space is \$8000.00 (excluding GST) for each car space. The amount of contribution for each car space specified above will be adjusted by the responsible authority on 1 July each year in accordance with the relevant Building Price Index (Melbourne) in Rawlinson's Australian Construction Handbook. If that index is unavailable, an equivalent index will be applied by the responsible authority.

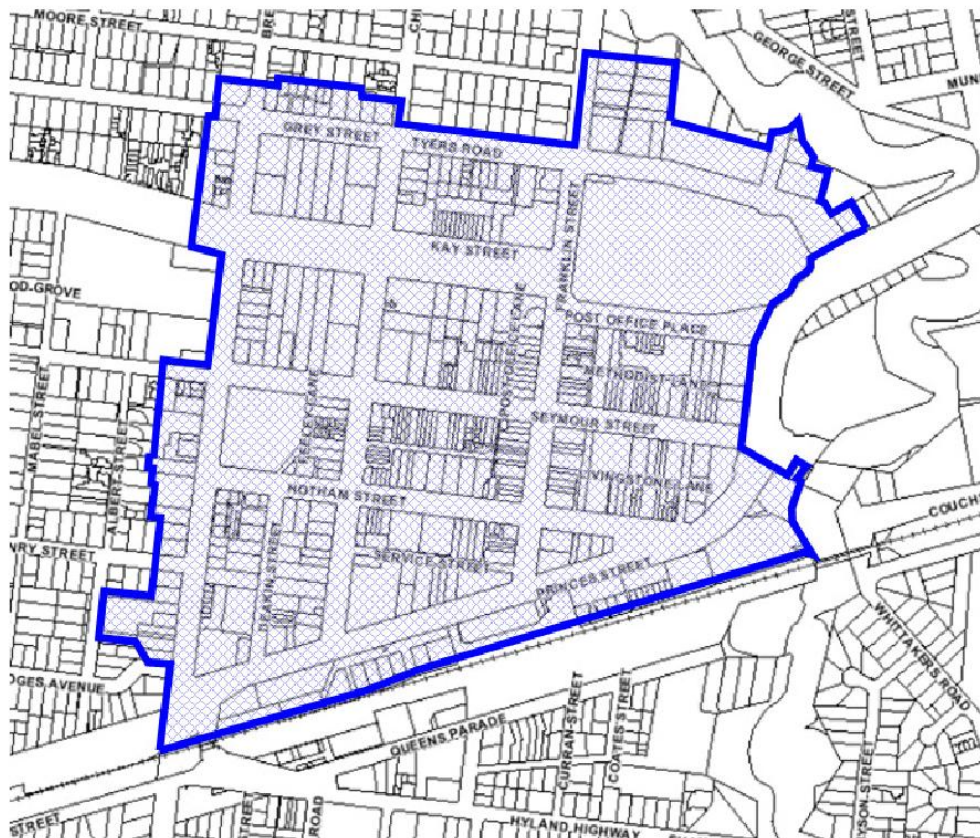
LATROBE PLANNING SCHEME

The cash contribution must be made before the use or development commences unless a permit condition allows payments by instalments pursuant to a Section 173 Agreement.

The responsible authority shall use the funds collected under this schedule for the purpose of acquiring land and constructing public parking in the Traralgon town centre.

**5.0 Reference document**

**Proposed C94** Car Parking Framework Review Traralgon & Morwell August 2014.



**Map 1 Traralgon Activity Centre Parking Precinct**

LATROBE PLANNING SCHEME

~~13.4/20~~  
 Proposed C94 **SCHEDULE 2 TO THE PARKING OVERLAY**

Shown on the planning scheme map as **PO2**.

**MORWELL ACTIVITY CENTRE**

**1.0 Car parking objectives to be achieved**

~~13.4/20~~  
 Proposed C94 To ensure that there is the appropriate provision of car parking spaces in the Morwell Activity Centre Parking Precinct shown on Map 1 to this schedule and to maintain a balance between car parking supply and demand in the centre.

**2.0 Number of car parking spaces to be provided**

~~13.4/20~~  
 Proposed C94 If a use is specified in the Table below, the number of car parking spaces required for the use is calculated by multiplying the Rate specified for the use by the accompanying Measure.

For all other uses listed in Table 1 of Clause 52.06-5, the number of car parking spaces required for a use is calculated by using 75% of the Rate in Column B of that Table.

Where a use of land is not specified in Table 1 of Clause 52.06-5, before a new use commences or the floor area or site area of an existing use is increased, car parking spaces must be provided to the satisfaction of the responsible authority.

When the calculated number of parking spaces required is not a whole number, the required number of spaces is determined by rounding the calculated result down to the next lower whole number.

**Table 1: Car parking spaces**

| Use    | Rate | Measure                          |
|--------|------|----------------------------------|
| Office | 3.0  | To each 100sqm of net floor area |

**3.0 Permit requirement**

~~13.4/20~~  
 Proposed C94 A permit may be granted to reduce (including a reduction to zero) the number of car parking spaces required under Clause 2 of this Schedule for a proposed use and development within the Morwell Activity Centre Parking Precinct.

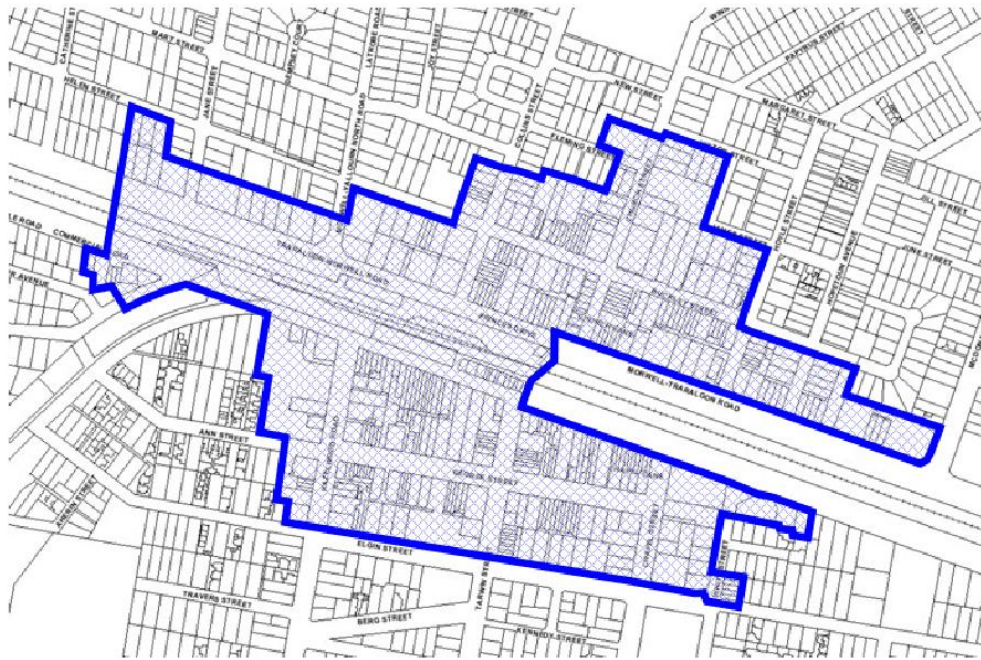
**4.0 Decision guidelines**

~~13.4/20~~  
 Proposed C94 Before decided on an application which reduces the provision of car parking spaces below the number of car parking spaces required under this schedule, the responsible authority must consider the decision guidelines set out at Clause 52.06-6 of the Planning Scheme

**5.0 Reference document**

~~13.4/20~~  
 Proposed C94 Car Parking Framework Review Traralgon & Morwell August 2014.

LATROBE PLANNING SCHEME



Map 1 Morwell Activity Centre Parking Precinct

*Planning and Environment Act 1987*

**LATROBE PLANNING SCHEME**

**AMENDMENT C94**

**EXPLANATORY REPORT**

**Who is the planning authority?**

This amendment has been prepared by the Latrobe City Council, which is the planning authority for this amendment.

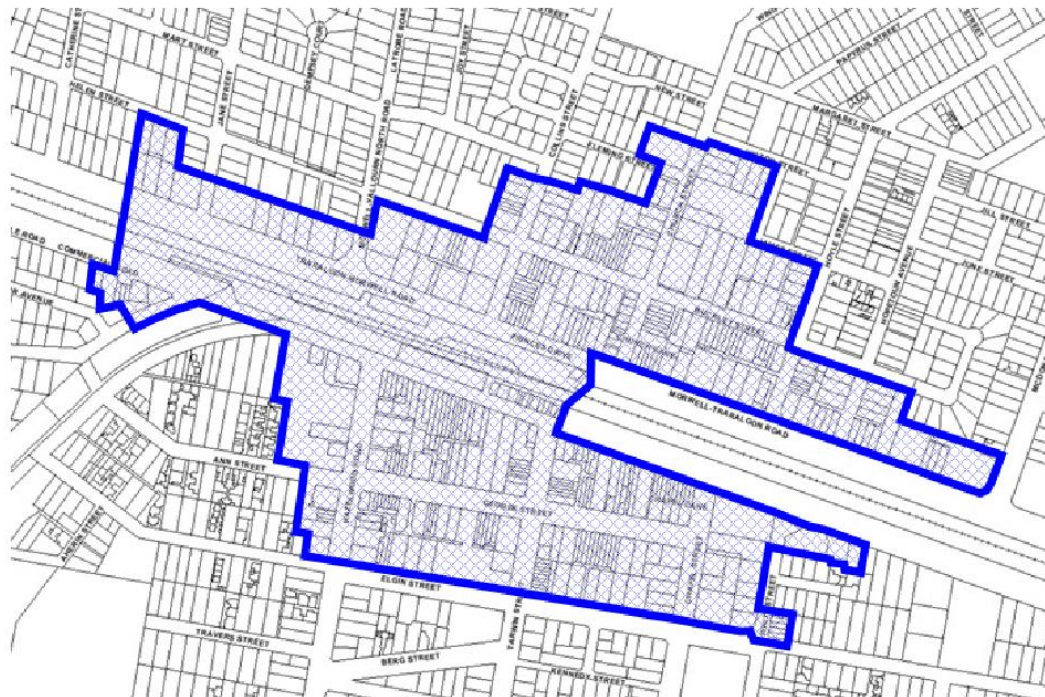
**Land affected by the amendment**

The amendment applies to land in Traralgon and Morwell activity centres as delineated on Maps 1 and 2 below.

**Map 1 – Traralgon Activity Centre Amendment Area**



**Map 2 – Morwell Activity Centre Amendment Area**



**What the amendment does**

The amendment proposes to:

- Apply the Parking Overlay to land within the Traralgon and Morwell Activity Centres.
- Insert Schedules 1 and 2 of the Parking Overlay that are to apply to land within the Morwell and Traralgon Activity Centres.
- Insert the *Car Parking Framework Review August 2014* as a reference document into the scheme in Clauses 21.05 and 21.07 and in proposed Schedules 1 and 2 of the Parking Overlay.

**Strategic assessment of the amendment**

**Why is the amendment required?**

Council carried out a Car Parking Framework Review in relation to Traralgon and Morwell taking into account existing parking demands, character, and economic performance of the respective activity centres. The various studies comprising this review have been consolidated by Traffix Group in the *Car Parking Framework Review August 2014* (the Review).

In order to give effect to the Review, amendments are proposed to the Planning Scheme that introduce Parking Overlays for Traralgon and Morwell prescribing parking rates and cash-in-lieu contributions as relevant.

The Review identified that current parking supply in Traralgon and Morwell is adequate to meet current demands.

The Review acknowledged that the actual parking rates in Morwell are lower than the standard rates set out in clause 52.06 of the Planning Scheme. The purpose of applying the Parking Overlay to Morwell activity centre is therefore to bring the requirements in the planning scheme relating to parking more in line with actual and expected demand. For Morwell, where the car parking requirement cannot be met on-site, the Review recommends that consideration be given to whether the proposed reduction is appropriate having regard to the relevant Clause 52.06-6 decision guidelines. The Review recommends that where the parking requirement under clause 52.06 of the Planning Scheme cannot be met on site in Morwell that no financial contribution should be applied.

The Review identified for Traralgon that forecasted future floor space indicates that new car parking will be required to be constructed in Traralgon to meet future demand generated by the expected increase in floor space. The Review recommends that where the parking requirement under clause 52.06 of the Planning Scheme cannot be met on site in Traralgon, a financial contribution of \$8,000 in respect of each car parking space that is required and which is not provided on the land (but net of car parking credits) should be applied.

**How does the amendment implement the objectives of planning in Victoria?**

The Amendment implements the objectives of planning in Victoria set out in Section 4 of the *Planning and Environment Act 1987* by providing a clear car parking policy framework for the fair, orderly, economic and sustainable use and development of land in Morwell and Traralgon.

**How does the amendment address any environmental, social and economic effects?**

The amendment will have no adverse environmental, social and economic effects. The amendment promotes the economic and social success of Morwell and Traralgon activity centres by considering the adequacy of parking in these centres to support existing and future activities, and ensuring adequate supply in the future.

The proposed cash-in-lieu contribution of \$8,000 for the Traralgon activity centre is justified in terms of need, nexus, accountability and equity. The cash-in-lieu contribution for the Traralgon activity centre is similar to a previous cash-in-lieu figure that has been used and

therefore isn't considered to have a detrimental economic effect on the Traralgon activity centre. No cash-in-lieu contribution is proposed for the Morwell activity centre.

The amendment also implements the recommended car parking strategy set out in the Review which promotes the sustainable and efficient delivery of car parking within each of the activity centres thereby promoting a positive environmental outcome.

**Does the amendment address relevant bushfire risk?**

The amendment will have no effect on bushfire risk.

**Does the amendment comply with the requirements of any Minister's Direction applicable to the amendment?**

The amendment is consistent with the Ministerial Direction on the Form and Content of Planning Schemes under section 7(5) of the Act.

The amendment complies with the requirements of Ministerial Direction No. 11: Strategic Assessment of Amendments.

The amendment complies with and is affected by Ministerial Direction 15: The Planning Scheme Amendment Process that establishes time frames for completing steps in the planning scheme amendment process.

**How does the amendment support or implement the State Planning Policy Framework and any adopted State policy?**

The amendment is supported by the State Planning Policy Framework (SPPF).

Clause 11.05-1 promotes the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework Plan. Strategies for achieving this planning objective include directing urban growth into major regional cities (e.g. Traralgon and Morwell) of Latrobe as Gippsland's regional city.

In order to strengthen the economic resilience of Gippsland as a region, Clause 11.08-1 of the Planning Scheme promotes the creation of vibrant and prosperous town centres that are clearly defined and provide commercial and service activities that respond to changing population and market conditions.

Morwell and Traralgon, located along the Princes Highway are two key urban centres within Latrobe City with Traralgon being the largest town within the municipality acting as a primary business hub for Latrobe city and the broader region as well. Morwell is the third largest town and provides a second tier retail and commercial role, with Morwell activity centre



acting as a central hub for municipal and state government activities and services. Recent population forecasts suggest that 75% of Latrobe's total growth to 2036 will occur in Traralgon's growth areas and that there will be moderate growth in Morwell.

Clause 18.02-5 of the State Planning Policy Framework (Car Parking) encourages the provision of an adequate supply of car parking that is appropriately designed and located. Strategies for achieving this include:

- Allocate or require land to be set aside for car parking subject to the existing and potential modes of access including public transport, the demand for off-street car parking, road capacity and the potential for demand management of car parking.
- Encourage the efficient provision of car parking through the consolidation of car parking facilities.

The SPPF also states that parking precinct plans should be prepared or required for the design and location of local car parking to:

- Protect the role and function of nearby roads, enable easy and efficient use and the movement and delivery of goods.
- Achieve a high standard of urban design and protect the amenity of the locality, including the amenity of pedestrians and other road users.
- Create a safe environment, particularly at night.
- Facilitate the use of public transport.

The SPPF further states that the amenity of residential land is to be protected from the effects of road congestion created by on-street parking, and that adequate provision for taxi ranks should be planned for.

The purpose of the Review for Traralgon and Morwell is to co-ordinate the efficient provision of car parking in the activity centres having regard to many of the above planning policy objectives.

The amendment is also consistent with Gippsland's Regional Growth Plan 2014 that promotes the sustainable and planned growth of Morwell and Traralgon.

#### **How does the amendment support or implement the Metropolitan Planning Strategy, Plan Melbourne?**

The amendment supports the implementation of Plan Melbourne by facilitating key shared infrastructure that supports the growth of the regional city of Latrobe. This is in-line with the 'networked state of cities' concept contained in Plan Melbourne and the promotion of regional growth plans for Victoria. The Gippsland Regional Growth Plan 2014 specifically

promotes the sustainable growth of Latrobe City's key urban centres including Traralgon and Morwell.

**How does the amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?**

The amendment is supported by the Local Planning Policy Framework and the Municipal Strategic Statement.

Specifically, the amendment is consistent with:

Clause 21.05 Main Towns

- Encourage the development of new retail, office and residential mixed use developments within the Traralgon and Morwell Primary Activity Centres.
- Encourage increased densities and vertical growth of Traralgon's town centre to support growth of the office sector.

Clause 21.07 Economic Sustainability

- Promote the development of Transit City principles and the creation of private investment opportunities to attract new retail development.
- Undertake a car parking policy review

The provision of suitable car parking arrangements is critical to the development of Traralgon and Morwell activity centres by helping to attract new commercial investment. The amendment proposes implementation of a car parking strategy that will help to support the above strategies.

**Does the amendment make proper use of the Victoria Planning Provisions?**

The appropriate Victoria Planning Provisions are proposed to be utilised. The amendment has considered and is consistent with the following Victorian State Government Practice and Advisory Notes:

- Practice Note May 2000: Writing schedules
- Practice Note 13 October 2013: Incorporated and reference documents
- Practice Note 22 April 2013: Using the car parking provisions
- Practice Note 46 July 2014: Strategic assessment guidelines for preparing and evaluating planning scheme amendments
- Practice Note 57 April 2013: The Parking Overlay
- Advisory Note 25 June 2012: New car parking provisions
- Advisory Note 34 January 2011: Addressing the *Transport Integration Act 2010* in a planning scheme amendment

**How does the amendment address the views of any relevant agency?**

The amendment will be referred to all relevant agencies as part of the exhibition process and any comments will be included as necessary. Preliminary feedback has been sought from VicRoads on a number of traffic issues around the Traralgon and Morwell activity centres.

**Does the amendment address relevant requirements of the Transport Integration Act 2010?**

The amendment will not have a significant impact on the transport system, as defined by Section 3 of the *Transport Integration Act 2010*. The amendment is expected to provide a policy framework whereby traffic and transport issues in Traralgon and Morwell town centres will be better planned that is likely to result in a greater level of efficiency and performance of the town centres. The amendment therefore supports the objectives and principles of the *Transport Integration Act 2010*.

**Resource and administrative costs**

**What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

The proposed amendment would not have an unreasonable impact on the resource and administrative costs of the responsible authority. The amendment if approved will result in council collecting and administering funds for cash in lieu contributions. It is not considered that this function will have a significant impact on the resource and administrative costs of the responsible authority.

**Where you may inspect this Amendment**

The amendment is available for public inspection, free of charge, during office hours at the following places:

|  |   |
|--|---|
| Latrobe City Council<br>Corporate Headquarters<br>141 Commercial Road<br>Morwell VIC 3840    | Latrobe City Council<br>Moe Service Centre<br>44 Albert Street<br>Moe VIC 3825                  |
| Latrobe City Council<br>Traralgon Service Centre<br>34 – 38 Kay Street<br>Traralgon VIC 3844 | Latrobe City Council<br>Churchill Service Centre<br>9 – 11 Phillip Parade<br>Churchill VIC 3842 |

The Amendment can also be inspected free of charge at the Department of Environment, Land, Water and Planning website at [www.dtpli.vic.gov.au/publicinspection](http://www.dtpli.vic.gov.au/publicinspection)

**Submissions**

Any person who may be affected by the Amendment may make a submission to the planning authority. Submissions about the Amendment must be received by 8 May 2015.

A submission must be sent to:

Ms Leanne Khan  
Senior Strategic Planner  
Latrobe City Council  
PO Box 264,  
MORWELL VIC 3840

**Panel hearing dates**

In accordance with clause 4(2) of Ministerial Direction No.15 the following panel hearing dates have been set for this amendment:

Directions hearing: to commence in the week of 3 August 2015

Panel hearing: to commence in the week of 7 September 2015

**13.5 Planning Permit Application 2015/45 - Two (2) Lot Subdivision  
At 43 & 45 Mount Hope Road, Tyers**

**General Manager**

**Planning & Economic  
Sustainability**

**For Decision**

**PURPOSE**

The purpose of this report is for Council to consider Planning Permit Application 2015/45 for a two (2) lot subdivision at 43 & 45 Mount Hope Road, Tyers (Lot 8 PS 127549).

The application is to be heard at an Ordinary Council meeting as requested by a Councillor under the current delegation process.

**EXECUTIVE SUMMARY**

Having evaluated the proposal against the relevant provisions of Latrobe Planning Scheme (the Scheme), it is considered that the application is inconsistent with the relevant objectives and decision guidelines of the Scheme. It is therefore recommended that a refusal to grant a Planning Permit be issued for the reasons set out in this report. More specifically, it is considered that:

- The proposal is inconsistent with Clauses 11.05-3 (Rural Productivity), 14.01-1 (Protection of Agricultural Land) and 14.01-2 (Sustainable Agricultural Land Use) of the State Planning Policy Framework. Also Clauses 21.04-3 (Rural Living Overview) and 21.07-5 (Agricultural Overview) of Local Planning Policy Framework, the purpose and decision guidelines of the Farming Zone by facilitating the creation of a rural style living style lot on productive farmland.
- The proposal is inconsistent with Clause 21.06 Small Towns and Latrobe Planning Scheme Amendment C82 which has rezoned a large parcel of land within Tyers to Low Density Residential Zone and Rural Living Zone Schedule 2. This is to provide for a sufficient supply of rural living opportunities and clear strategic direction in the future urban growth of the area that will cater for Tyers and Latrobe City Councils increasing population.
- The proposal is inconsistent with Clause 65 (Decision Guidelines).

The applicant proposes to subdivide the existing lot into two lots, excising the two existing dwellings from the remaining productive agricultural land. Proposed lot 1 will have an area of approximately 76.06 hectares and will be irregular in shape and retain the productive agricultural land and ancillary agricultural outbuildings. Proposed lot 2 will have an area of approximately 9,931 square metres and will be irregular in shape and encompass the two existing single storey dwellings and ancillary outbuildings.

**ORDINARY COUNCIL MEETING AGENDA  
06 JULY 2015 (CM465)**

The applicant proposes to create a lot of 9,931 square metres which is more akin to a rural living style lot. Within the Farming Zone this is well below the threshold set out in the Schedule to the zone being 40 hectares.

Furthermore, it is considered that the proposed subdivision does not support the strategic long term growth of Tyers amendment C82 rezoned a large parcel of land within Tyers to Low Density Residential Zone and Rural Living Zone Schedule 2 to provide for a sufficient supply of rural living opportunities. It is considered that the proposal will result in the fragmentation of productive agricultural land.

The applicant has indicated their intention to have a dwelling on the 76.06 hectares residual lot in the future.

**RECOMMENDATION**

**That Council issues a notice of refusal to grant a planning permit for a two (2) lot subdivision at 43 & 45 Mount Hope Road, Tyers (Lot 8 LP 127549), on the following grounds:**

- 1. The application is inconsistent with the objectives of Clause 11.05-3 (Rural Productivity), Clause 14.01-1 (Protection of Agricultural Land) and Clause 14.01-2 (Sustainable Agricultural Land Use) of the State Planning Policy Framework;**
- 2. The application is inconsistent with the Key Issues identified in the Municipal Strategic Statement at Clause 21.04-3 (Rural Living Overview) Clause 21.06 (Small Towns) and Clause 21.07-5 (Agricultural Overview);**
- 3. The proposal is inconsistent with the purpose and decision guidelines of the Farming Zone, particularly in relation to agriculture issues; and**
- 4. The proposal does not comply with the decision guidelines of Clause 65 of the Planning Scheme.**

**DECLARATION OF INTEREST**

No officer declared a conflict of interest under the *Local Government Act 1989* in the preparation of this report.

**STRATEGIC FRAMEWORK**

This report is consistent with Latrobe 2026: The Community Vision for Latrobe Valley and the Latrobe City Council Plan 2013-2017.

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

### Latrobe 2026: The Community Vision for Latrobe Valley

#### *Strategic Objectives – Built Environment*

In 2026, Latrobe Valley benefits from a well planned built environment that is complimentary to its surroundings and which provides for connected and inclusive community.

### Latrobe City Council Plan 2013 – 2017

#### *Strategic Direction – Built Environment*

- *Promote and support high quality urban design within the built environment; and*
- *Ensure proposed developments enhance the liveability of Latrobe City, and provide for a more sustainable community.*

### Theme and Objectives

#### *Theme 5: Planning for the future*

#### *Strategic Direction*

*Provide efficient and effective planning services and decision making to encourage development and new investment opportunities.*

*Plan and coordinate the provision of key services and essential infrastructure to support new growth and developments.*

### Legislation

*Local Government Act 1989*

*Planning and Environment Act 1987*

## **BACKGROUND**

### **SUMMARY**

|            |  |
|------------|--|
| Land:      | 43 & 45 Mount Hope Road, Tyers, known as Lot 8 LP 127549.                    |
| Proponent: | Phil Colaciello<br>C/- NBA Group Pty Ltd                                     |
| Zoning:    | Farming Zone (FZ)<br>Rural Living Zone – Schedule 4 (RLZ4) (Mapping Anomaly) |
| Overlay    | Bushfire Management Overlay (BMO)  |

Pursuant to Clause 35.07.3 and 35.03-3 of the Latrobe Planning Scheme (the Scheme) a planning permit is required to subdivide land within the Farming Zone and Rural Living Zone – Schedule 4. Pursuant to Clause 44.06-1 of the Scheme a planning permit is required to subdivide land with the Wildfire Management Overlay. A site context plan is included as Attachment 1 of this report.

### **PROPOSAL**

The applicant proposes to subdivide the existing lot into two lots, excising the two existing dwellings from the remaining productive agricultural land.

The first dwelling on the property with a frontage to Mount Hope Road is the main residence. The second dwelling, which is located approximately 28 metres from the first, is fitted out full and the applicant has stated that it is currently not being lived in.

Proposed lot 1 will have an area of approximately 76.06 hectares and will be irregular in shape. Proposed lot 1 will retain the productive agricultural land and ancillary agricultural outbuildings. Access to proposed lot 1 can be obtained from Mount Hope Road, it is noted that there is an existing gate and a driveway access to this could be formalised

Proposed lot 2 will have an area of approximately 9,931 square metres and will be irregular in shape. Proposed lot 1 will encompass the two existing single storey dwellings and ancillary outbuildings. Access to the existing dwellings will be from the existing driveway off Mount Hope Road.

### **SUBJECT LAND AND SURROUNDING AREA**

The site is located at 43 & 45 Mount Hope Road, Tyers and is more formally known as lot 8 on Plan of Subdivision 127549. The site is irregular in shape with a total area 77.06 hectares.

There are two (2) existing dwellings on the site; both dwellings are located within the south east corner of the site with several ancillary outbuildings associated with the dwellings within this area. Further to the west there are several agricultural buildings associated with the functioning farmland.

The landscape of the site is undulating with a series of ridges and gullies with a fall of approximately 140 metres from the northern to southern portion of the site. There are several watercourses that traverse the subject site. There is a 5 metre wide water easement encumbering the southern portion of the land running east west. The site mainly comprises of pasture grasses with some scattered trees present as well as a patch of trees towards the northern property boundary of the site.

The application site is located in the Farming Zone, with the land abutting the north east of the site being Rural Living Zone, approximately 1,354 square metres, and the land abutting the south east of the site being Township Zone. The surrounding land uses and development consist of medium to large sized farms, pine and hardwood plantation and some small rural lifestyle lots within the rural living zone.



The land parcels in the area vary between 2 hectares and 120 hectares. Generally the subdivision pattern can be described as large farming lots interrupted with occasional rural lots.

### **LATROBE PLANNING SCHEME**

#### **State and Local Planning Policy Framework**

The State Planning Policy Framework (SPPF) and the Local Planning Policy Framework (LPPF), including the Municipal Strategic Statement (MSS) have been considered as part of the assessment of this application. The following are relevant clauses considered in the assessment of the application.

The objective of Clause 11.05-1 Regional settlement networks is *'to promote the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework Plan'*.

The Moe, Morwell and Traralgon cluster has been identified in the Regional Victoria Settlement Framework plan as one of the regional areas where urban growth should be directed.

*'Networks of high-quality settlements should be delivered by:*

- *Building on strengths and capabilities of each region across Victoria to respond sustainably to population growth and changing environments.*
- *Balancing strategic objectives to achieve improved land-use and development outcomes at a regional, catchment and local level.*
- *Preserving and protecting features of rural land and natural resources and features to enhance their contribution to settlements and landscapes.*
- *Providing for appropriately located supplies of residential, commercial, and industrial land across a region, sufficient to meet community needs'.*

The objective of Clause 11.05-3 Rural Productivity is *'to manage land use change and development in rural areas to promote agriculture and rural production'*. Strategies to achieve this are:

- *'Prevent inappropriately dispersed urban activities in rural areas.*
- *Limit new housing development in rural areas, including:*
  - *Directing housing growth into existing settlements.*
  - *Discouraging development of isolated small lots in the rural zones from use for single dwellings, rural living or other incompatible uses.*
  - *Encouraging consolidation of existing isolated small lots in rural zones.*
- *Restructure old and inappropriate subdivisions'.*

The objective of Clause 11.08-3 Sustainable communities is *'to develop sustainable communities through a settlement framework comprising major urban centres offering residents convenient access to jobs, services, infrastructure, and community facilities'*. The relevant strategy in the assessment of this application is:

- *'Plan for settlement growth to limit impact on agricultural productivity, natural and earth resources and ecological values'*.

Clause 13.05-1 Bushfire planning strategies and principles is relevant to the consideration of the application as the subject site is wholly affected by the Bushfire Management Overlay. The objective of this clause is *'to assist to strengthen community resilience to bushfire'*. The overarching strategies to achieve this include:

- *'Prioritise the protection of human life over other policy considerations in planning and decision-making in areas at risk from bushfire.'*
- *'Where appropriate, apply the precautionary principle to planning and decision-making when assessing the risk to life, property and community infrastructure from bushfire'*.

The objective of Clause 14.01-1 Protection of agricultural land is *'to protect productive farmland which is of strategic significance in the local or regional context'*. The relevant strategies in the assessment of this application are:

- *'Ensure that the State's agricultural base is protected from the unplanned loss of productive agricultural land due to permanent changes of land use.'*
- *'Take into consideration regional, state and local, issues and characteristics in the assessment of agricultural quality and productivity.'*
- *'In considering a proposal to subdivide or develop agricultural land, the following factors must be considered:'*
  - *'The desirability and impacts of removing the land from primary production, given its agricultural productivity.'*
  - *'The impacts of the proposed subdivision or development on the continuation of primary production on adjacent land, with particular regard to land values and to the viability of infrastructure for such production.'*
  - *'The compatibility between the proposed or likely development and the existing uses of the surrounding land.'*
  - *'Assessment of the land capability.'*
- *'Subdivision of productive agricultural land should not detract from the long-term productive capacity of the land'*.

Clause 14.03 Resource exploration and extraction encourages the protection of extraction and natural resources, part of the subject site is within an extractive interest area and the relevant strategies to assist in meeting the objective of this Clause are:

- *‘Protect the opportunity for exploration and extraction of natural resources where this is consistent with overall planning considerations and application of acceptable environmental practice.*
- *Provide for the long term protection of natural resources in Victoria’.*

The objective of Clause 16.02-1 Rural residential development is *‘to identify land suitable for rural living and rural residential development’*. The strategies relevant in the assessment of this application are:

- *‘Ensure planning for rural living avoids or significantly reduces adverse economic, social and environmental impacts by:*
  - *Maintaining the long-term sustainable use and management of existing natural resource attributes in activities including agricultural production, water, mineral and energy resources’.*

The objective of clause 21.03-2 Environmental Sustainability Overview is *‘to maintain and improve the ecological integrity of natural and artificial systems such as agriculture, forestry and urban areas’*. The relevant strategy considered in the assessment of this application is:

- *‘Protect environmental assets as the top priority, enhance as the second priority, and consider replacement as a last resort’.*

The objectives of Clause 21.03-8 Wildfire Overview are *‘to ensure that new land use and development does not increase the level of fire risk’* and *‘to ensure that new land use and development includes adequate fire protection measures’*. The application was referred to CFA for comment and the relevant strategies were considered in the assessment of the application.

An objective of Clause 21.04-2 Settlement Overview is *‘to build upon the existing structure of the towns and settlements to create an integrated network of urban areas’*. The strategy relevant in the assessment of the application is:

- *‘Consolidate development within and around the existing towns and avoid unnecessary urban expansion and rural subdivision’.*

The objectives of Clause 21.04-3 Rural Living Overview are *‘to identify appropriate locations for rural residential activity’* and *‘to minimise conflict between agricultural activities and rural lifestyle’*. Strategies to achieve this are:

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

- *‘Support rural living or low density residential development in appropriate locations, taking into account current supply and demand for these types of subdivisions.*
- *Discourage further rural living or low density residential development on the fringes of the major towns where land is designated as a long-term urban growth corridor’.*

An objective of Clause 21.06-2 Small Towns Overview is *‘to facilitate development in accordance with the specific town Structure Plan attached to this clause’*. Strategies to achieve this are:

- *‘Discourage the fragmentation of key farming land adjoining township boundaries to allow for future urban growth opportunities.*
- *Promote opportunities for infill development within the township boundary and encourage increased diversity in residential allotment sizes’.*

The objective of Clause 21.07-5 Agricultural Overview is *‘to protect high quality agricultural land’*. Strategies to achieve this are:

- *‘Encourage high quality agricultural land to be used primarily for farming purposes except where the land supports significant vegetation of local provenance.*
- *Limit subdivision, use or development of land that should be incompatible with the utilisation of the land for sustainable resource use.*
- *Improve the landscape and environment of the rural resources of the municipality’.*

### **Zoning**

The site is located within the Farming Zone, where the purpose includes:

- *‘To provide for the use of land for agriculture.*
- *To encourage the retention of productive agricultural land.*
- *To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture’.*

In accordance with Clause 35.07-3 of the Scheme, a permit is required to subdivide land.

In accordance with Clause 35.07-6 of the Scheme, Council must consider the relevant decision guidelines of the Farming Zone. A discussion of decision guidelines is included in the issues section of this report.

There is a small portion of land with the north east corner of the site within the Rural Living Zone – Schedule 4, Council’s Strategic Planning team

have confirmed that this is due to a mapping anomaly which should be corrected in a Minor Technical Planning Scheme Amendment in the future.

### **Overlay**

The subject land is wholly affected by the Bushfire Management Overlay (Clause 44.06). Pursuant to Clause 44.06-1 a permit is required to subdivide land.

The proposal is considered to be appropriate as the relevant standards and objectives relating to bushfire protection have been addressed; as detailed in the Particular Provisions section of this report.

### **Particular Provisions**

#### *Clause 52.47 Planning for Bushfire*

The application was referred to CFA under Section 55 of the *Planning and Environment Act 1987* (the Act), which included the relevant bushfire hazard site assessment, bushfire hazard landscape assessment and bushfire management statement for this particular application. The CFA granted Conditional Consent to the permit subject to the inclusion of requested conditions.

As a result of the referral, and the review of the appropriate decision guidelines taken into consideration from Clause 52.47, that the proposed development will not pose a significant risk to life, and has addressed the appropriate standards and objectives to adequately address the potential bushfire hazards in the area.

### **Decision Guidelines (Clause 65):**

Clause 65.01 sets out the decision guidelines to consider before deciding on an application or approval of plan. These guidelines have been considered as part of the assessment of this planning application and where relevant have been discussed in this report.

### **INTERNAL / EXTERNAL CONSULTATION**

#### *Engagement Method Used:*

#### Notification:

The application was advertised pursuant to Sections 52(1)(a) and (d) of the Planning and Environment Act 1987. Notices were sent to all adjoining and adjacent landowners and occupiers and a site notice was displayed on the site frontage (Mount Hope Road) for 14 days. There were no objections received to the application.

External:

The application was referred under Section 55 of the Act to CFA for consideration. There was no objection to the granting of a planning permit subject to the inclusion of appropriate conditions.

Internal:

The application was referred internally to Council's Engineering and Health teams for consideration. There was no objection to the granting of a planning permit subject to the inclusion of appropriate conditions.

**KEY POINTS/ISSUES****Strategic direction of the State and Local Planning Policy Frameworks:**

There are several clear Clauses in the State and Local Planning Policy Framework that provide direction why the proposal to subdivide the subject site should not be supported.

The subject site is largely identified as Class 3, in the Assessment of Agricultural Quality of Land in Gippsland, Volum and Swan (1984), which suggests the land to be productive agricultural land and therefore subject to State and Local Planning Policy which encourages the protection and retention of productive agricultural land.

The objective of Clause 11.05-3 'Rural Productivity' is '*to manage land use change and development in rural areas to promote agriculture and rural production*'. The strategies to achieve this include the directing of housing growth into existing settlements and limiting new housing development in rural areas. The proposed subdivision would create a rural living style lot within the farming zone and a lot with an area of over 40 hectares which would allow the applicant to use and develop this lot with another dwelling without needing a planning permit for the use.

The objective of Clause 14.01-1 'Protection of Agricultural Land' is '*to protect productive farmland which is of strategic significance in the local or regional context*'. The strategies to protect productive farmland, which the subject site is identified as, direct growth into designated rural residential areas and prevent fragmentation of productive farmland by encouraging subdivision pattern contrary to the Farming Zone.

Council's own Municipal Strategic Statement (MSS) of the Scheme, under Clause 21.04-3 'Rural Living Overview', acknowledges pressure for rural residential development and it also states that high value rural land and natural resources need to be protected from encroachment from rural living development pressures.

The subject site is identified as good dairying and grazing land. Clause 21.07-5 'Agricultural Overview', states that '*there remains a need to improve dairy industry efficiency, protect the agricultural and resource base and encourage new sustainable enterprises amid ongoing structural changes in rural industries*'.

One of the strategies under Clause 21.07-5 of the Municipal Strategic Statement is to *'limit subdivision, use or development of land that should be incompatible with the utilisation of the land for sustainable resource use'*.

The creation of a 9,931 square metre parcel does not comply with relevant agricultural State and Local Planning Policies as it is considered that it will diminish rather than enhance the agricultural potential of the subject site.

It is considered that the proposed subdivision does not comply with relevant agricultural State and Local Planning Policies which seek to retain productive agricultural land; rather it seeks to create a rural living style allotment within the Farming Zone.

#### Tyers Structure Plan:

Clause 21.06 'Small Towns' discourages the 'fragmentation of key farming land adjoining the township boundaries to allow for growth for future growth opportunities'. The subject site adjoins the Tyers Structure Plan boundary and therefore is discouraged from fragmenting away from farming land to allow future urban growth opportunities.

Amendment C82 rezoned a large amount of land North East of the Tyers Township to Low Density Residential Zone and Rural Living Zone – Schedule 2. It also applied the Development Plan Overlay – Schedule 8, Amended Clause 21.06 Small Towns by amending Subclause 21.06-5 – Specific Small Town Strategies – Tyers and the Tyers Structure Plan.

The Amendment provided for low density residential and rural living opportunities in order to provide for future housing within the Tyers Township and the wider Latrobe City.

This Amendment presents Tyers with a clear planning framework for the future urban growth of the area that will cater for Tyers and Latrobe City's increasing population. It has provided for sufficient rural living opportunities within Tyers. This land is outside of the amendment area and therefore the proposal would not support the strategic long term growth of Tyers. This lot is extending the boundary of rural living, which is against the direction of the adopted Amendment C82.

#### 'Purpose' and 'Decision Guidelines' of the Farming Zone:

The underlying purpose of the Farming Zone relates to the use of the land for agriculture retaining productive agricultural land and ensuring that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture.

The applicant has stated in their submission that they believe that it is the clear intent of the Farming Zone provisions to allow for dwelling excisions that encourage the retention of rural populations and will not result in the removal of land from primary production nor significantly detract from the agricultural capacity of the land.

However, the proposal is considered to be inconsistent with the following 'Purposes' detailed under the Farming Zone as appropriate:

## ORDINARY COUNCIL MEETING AGENDA 06 JULY 2015 (CM465)

- *To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.*

The proposed subdivision is not required to support an existing use in the Farming Zone and as a result runs contrary to all relevant planning policies both at a state and local level. Furthermore, as detailed previously the proposed subdivision will fragment key farming land adjoining the Township boundary and direct urban growth away from the strategic direction of Tyers Specific Small Town Strategies.

- *To provide for the use of land for agriculture.*

A dwelling that is used in conjunction with the whole landholding exists. There is no planning or agricultural need for a third dwelling (which will be as of right, if the application is approved) to be required on the land.

- *To encourage the retention of productive agricultural land.*

The land is zoned for the purpose of agriculture and is identified as good dairying and grazing land. Although not part of this application, if this application is approved, it will allow an 'as of right' for a dwelling in the larger balance lot. It is considered that if a dwelling was constructed on the balance lot it will:

- a) result in a loss of productive agricultural land; and
- b) could lead to a proliferation of dwellings in the area.

This would be detrimental to the Farming Zone and does not support the purpose of the Zone.

- *To ensure that non-agricultural uses, including dwellings, do not adversely affect the use of land for agriculture.*

An additional factor in the assessment of this proposal is the potential that a new dwelling could be constructed on the balance lot as a result of the approval of this proposal. Therefore as part of the subdivision application it is appropriate to consider the impact of the future land use as part of this proposal. This could possibly be that a dwelling maybe constructed on the balance lot.

As outlined above, it is reasonable to consider the proposed subdivision does not meet the relevant agricultural objectives and strategies as set out currently within the Scheme. It is considered that if approved the subdivision will disrupt the ongoing use of land for agricultural purposes and result in the fragmentation of productive agricultural land.

### **RISK IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management framework. There is not considered to be any risks associated with this report.



**FINANCIAL AND RESOURCES IMPLICATIONS**

Additional resources or financial cost will only be incurred should the planning permit application require determination at the Victorian Civil and Administrative Tribunal (VCAT). However, an appeal can be resourced within the Planning team.

**OPTIONS**

Council has the following options in regard to this application:

1. Refuse to Grant a Planning Permit
2. Grant a Planning Permit

Council's decision must be based on planning grounds, having regard to the provisions of the Latrobe Planning Scheme.

**CONCLUSION**

The application is for the excise of a lot with two existing dwellings. There has been an indication that if the proposal is supported, a dwelling is intended on the remaining 76.06 hectares lot, which is as of right. This will result in three dwellings on a landholding of less than 80 hectares. The Farming Zones clear intention is one dwelling per 40 hectares. There has been no clear justification in relation to agriculture to support this excision. It should be recognised that personal circumstances cannot be considered when deciding on planning permits. The existing houses on the land support the landholding now. It is considered that the intention of the house lot excision is to create a larger lot to use, as of right, for another dwelling rather than to enhance the existing agricultural productivity of the subject land. For the reasons set out throughout this report the proposal is considered to be:

- Inconsistent with the objectives of Clause 11.05-3 (Rural Productivity), Clause 14.01-1 (Protection of Agricultural Land) and Clause 14.01-2 (Sustainable Agricultural Land Use) of the State Planning Policy Framework.
- Inconsistent with the Key Issues identified in the Municipal Strategic Statement at Clause 21.04-3 (Rural Living Overview) Clause 21.06 (Small Towns) and Clause 21.07-5 (Agricultural Overview).
- Inconsistent with the purpose and decision guidelines of the Farming Zone, particularly in relation to agriculture issues.
- The proposal does not comply with the decision guidelines of Clause 65 of the Planning Scheme.

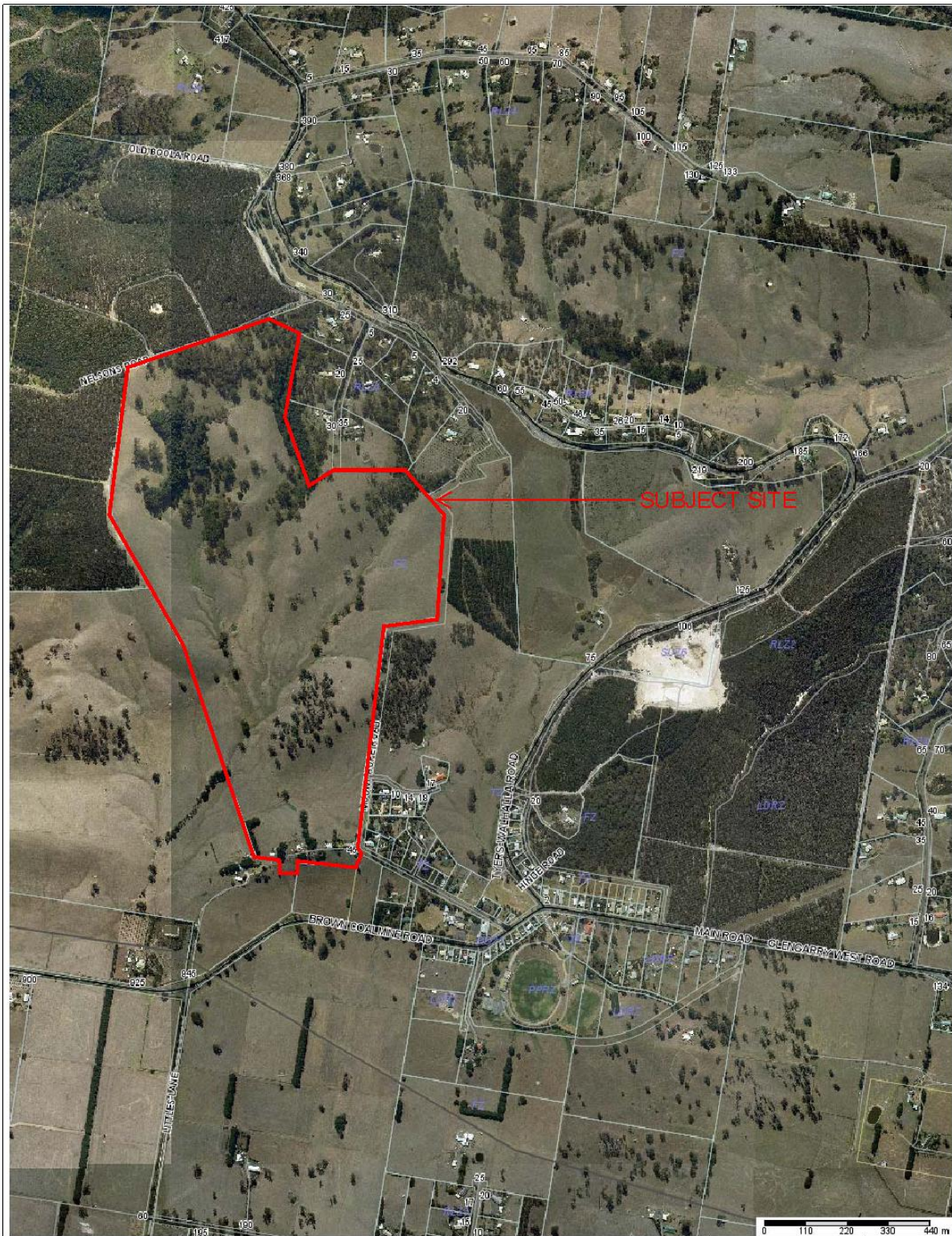
**Attachments**



1. Site Context Plan
2. Proposed Plan of Subdivision

## **13.5**

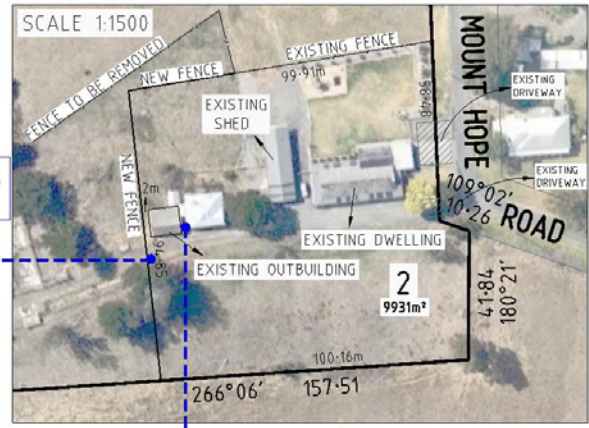
### **Planning Permit Application 2015/45 - Two (2) Lot Subdivision at 43 & 45 Mount Hope Road, Tyers**

- 1 Site Context Plan ..... 213**
- 2 Proposed Plan of Subdivision ..... 215**



|   |  |                   |   |
|---|--|-------------------|---|
|  | <p><b>Note</b><br/>The information shown on this map is derived from a variety of sources including, but not limited to, Vicmap Data, other State and Local Government Agencies data and Latrobe City Data.</p> <p><b>Disclaimer:</b><br/>The State of Victoria does not warrant the accuracy or completeness of information in this publication and any person using or relying upon such information does so on the basis that the state of Victoria shall bear no responsibility or liability whatsoever for any errors, faults, defects or omissions in the information.</p> <p>Latrobe City does not guarantee the accuracy or the currency of the information presented on this map and therefore Latrobe City will not be held liable for any loss or damage arising as a result of using this information.</p> <p>The location of features shown on this map is indicative only. The underground infrastructure location shown is not to be used as a substitute for <b>As Built Before You Dig</b>.</p> <p>The compilation of this map is subject to copyright laws and regulations, no part of this map can be reproduced without prior written consent of Latrobe City Council.</p> | <p>11/06/2015</p> |  |
|   |  | <p>1:10000</p>    |   |

LOT 8 ON LP127549  
 C/T: VOL.9231 FOL.517  
 TOTAL SITE AREA: 77.06ha



DIMENSIONS HEREON ARE SUBJECT TO SURVEY.  
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| No. | Revision Description               | Drawn | Checked | Date       |
|-----|------------------------------------|-------|---------|------------|
| 2.  | Minor additions in response to RFI | AHW   | ME      | 16.4.2015  |
| 1.  | Submitted as part of planning app. | AHW   | ME      | 16.10.2014 |

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**PROPOSED SUBDIVISION**

LOT 8 ON LP127549  
 43 Mount Hope Road, Tyers 3844  
 Latrobe City Council  
 18221T1\_Version 2  
 Date : April 2015

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# COMMUNITY INFRASTRUCTURE & RECREATION

**14. COMMUNITY INFRASTRUCTURE & RECREATION**

Nil reports

# COMMUNITY LIVEABILITY

**15. COMMUNITY LIVEABILITY**

Nil reports



# CORPORATE SERVICES

**16. CORPORATE SERVICES**

Nil reports

# URGENT BUSINESS

**17. URGENT BUSINESS**

*Business may be admitted to the meeting as urgent business in accordance with clause 26 of the Meeting Procedure Local Law by resolution of the Council, if it relates to a matter which has arisen since distribution of the agenda and:*

- 1. cannot safely or conveniently be deferred until the next Ordinary meeting; or*
- 2. involves a matter of urgent community concern.*

# MEETING CLOSED TO THE PUBLIC

**18. MEETING CLOSED TO THE PUBLIC**

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.

## RECOMMENDATION

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

### 18.1 CONFIDENTIAL ITEMS HELD OVER

Agenda item 18.1 *Confidential Items Held Over* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

### 18.2 ADOPTION OF MINUTES

Agenda item 18.2 *Adoption of Minutes* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

### 18.3 CONFIDENTIAL ITEMS

Agenda item 18.3 *Confidential Items* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

### 18.4 ASSEMBLY OF COUNCILLORS

Agenda item 18.4 *Assembly of Councillors* is designated as confidential as it relates to a matter which the Council or special committee considers would prejudice the Council or any person (s89 2h)

### 18.5 ACQUISITION OF 83 PIGGERY ROAD BOOLARRA

Agenda item 18.5 *Acquisition of 83 Piggery Road Boolarra* is designated as confidential as it relates to contractual matters (s89 2d)

### 18.6 BAD DEBTS REPORT - MAY 2015

Agenda item 18.6 *Bad Debts Report - May 2015* is designated as confidential as it relates to personal hardship of any resident or ratepayer (s89 2b)

### 18.7 LCC-271 RESEALING OF MUNICIPAL ROADS WITHIN LATROBE CITY

Agenda item 18.7 *LCC-271 Resealing of Municipal Roads Within Latrobe City* is designated as confidential as it relates to contractual matters (s89 2d)