



# **LATROBE CITY COUNCIL**

**AGENDA FOR THE  
ORDINARY COUNCIL**

**TO BE HELD IN NAMBUR WARIGA MEETING ROOM  
CORPORATE HEADQUARTERS, MORWELL  
AT 5.30PM ON  
21 OCTOBER 2013**

**CM422**



## *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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**ORDINARY COUNCIL MEETING AGENDA  
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*Our Father in Heaven, hallowed be your Name, your kingdom come, your will be done on earth as in Heaven. Give us today our daily bread. Forgive us our sins as we forgive those who sin against us. Save us from the time of trial and 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 Gunnai/Kūrnai Clan and pay our respect to their past and present elders.*

**3. APOLOGIES AND LEAVE OF ABSENCE****4. DECLARATION OF CONFLICT OF INTEREST**

**Direct and indirect interests - Section 77A(1) Local Government Act 1989**

*A relevant person has a conflict of interest in respect of a matter if the relevant person has a direct interest or indirect interest in the matter.*

**5. ADOPTION OF MINUTES****RECOMMENDATION**

**That the minutes of the Ordinary Council Meetings held on the 16 September 2013 (CM 420) and the 7 October 2013 (CM 421) and the minutes of the Special Council Meeting held on 16 September 2013 (SM 419) be confirmed.**

**6. PUBLIC QUESTION TIME**

**Suspension of Standing Orders for Members of the Public to Address Council**

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**7. ITEMS HELD OVER FOR REPORT AND/OR CONSIDERATION**

<b>Council Meeting Date</b>	<b>Item</b>	<b>Status</b>	<b>Responsible Officer</b>
19/09/11	Traralgon Activity Centre Plan Key Directions Report	That having considered all submissions received in respect to the Stage 2 Key Directions Report September 2011, Council resolves the following: 1. To defer the endorsement of the Stage 2 Key Directions Report September 2011 until: (a) Council has been presented with the Traralgon Growth Area Review (b) Council has received information on the results of the Latrobe Valley Bus Review 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. 3. That Council proceeds with the Parking Precinct Plan and investigate integrated public parking solutions. 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. 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).	General Manager Governance
5/12/11	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.	General Manager Governance
19/12/11	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.	General Manager Recreational, Culture & Community Infrastructure

**ORDINARY COUNCIL MEETING AGENDA  
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Council Meeting Date	Item	Status	Responsible Officer
3/12/12	Public Highway Declaration – Verey Lane, Morwell	<ol style="list-style-type: none"> <li>1. That Council write to Jammatt Pty Ltd and Nestlan Pty Ltd requesting that they remove all obstructions from the road reserve contained in Certificate of Title Volume 9732 Folio 422, being part of Verey Lane, Morwell, pursuant to Schedule 11, Clause 5 of the <i>Local Government Act</i> 1989.</li> <li>2. That Council approach Jammatt Pty Ltd and Nestlan Pty Ltd regarding the possible transfer of the road reserve contained in Certificate of Title Volume 9732 Folio 422, being the road created on LP 33695, being part of Verey Lane, Morwell.</li> <li>3. That Council obtain an independent valuation of the road reserve contained in Certificate of Title Volume 9732 Folio 422, being the road created on LP 33695, owned by Jammatt Pty Ltd and Nestlan Pty Ltd as a basis for negotiations.</li> <li>4. That Council seek agreement from the owners of the properties at 24-28 Buckley Street, Morwell, to contribute towards the costs of acquiring the road reserve contained in Certificate of Title Volume 9732 Folio 422, being the road created on LP 33695, from Jammatt Pty Ltd and Nestlan Pty Ltd.</li> <li>5. That Council write to Simon Parsons &amp; Co. requesting that the temporary access to 24-28 Buckley Street, Morwell, be extended past 31 December 2012.</li> <li>6. That a further report be presented to Council detailing the outcomes of discussions with Jammatt Pty Ltd and Nestlan Pty Ltd and the owners of the properties at 24-28 Buckley Street, Morwell.</li> </ol>	General Manager Governance

**ORDINARY COUNCIL MEETING AGENDA  
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Council Meeting Date	Item	Status	Responsible Officer
3/12/12	Geotechnical Investigation and Detailed Design Remediation Treatments of Landslips	<ol style="list-style-type: none"> <li>1. That Council resolve that the geotechnical investigations and detailed design for the remediation treatment of landslips meets the requirements of Section 186 of the <i>Local Government Act 1989</i> and that the contract must be entered into because of an emergency.</li> <li>2. That Council resolves to enter into a schedule of rates contract with GHD Pty Ltd for the geotechnical investigations and detailed design for the remediation treatment of landslips due to it being an emergency.</li> <li>3. That a report be presented to a future Council meeting at the completion of the geotechnical investigations and detailed design for the remediation treatment of landslips outlining the actual costs incurred.</li> <li>4. That Council authorise the Chief Executive Officer to advise those residents impacted by landslips of Council's process and timelines for remediating landslips throughout the municipality.</li> </ol>	General Manager Recreation, Culture & Community Infrastructure
18/02/13	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> <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>	General Manager Recreation, Culture & Community Infrastructure



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<b>Council Meeting Date</b>	<b>Item</b>	<b>Status</b>	<b>Responsible Officer</b>
22/04/13	Latrobe Regional Motorsports Complex	<ol style="list-style-type: none"> <li>1. That Council reconvene the Latrobe Regional Motorsports Complex Advisory Committee to investigate current levels of commitment to the Motor Sport Complex and to identify the facilities desired by interested parties.</li> <li>2. That prior to November 2013, a report is provided to Council detailing the outcomes from the meetings and a recommendation for the future of the project.</li> <li>3. That Council seek further advice from Energy Australia in relation to the availability of land for the development of a motorsports complex.</li> </ol>	General Manager Recreation, Culture & Community Infrastructure
6/05/13	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.	General Manager Recreation, Culture & Community Infrastructure
6/05/13	Latrobe City International Relations Advisory Committee - Motion Re: Monash University	That the item be deferred until after the amended Terms of Reference for the Latrobe City International Relations Advisory Committee have been considered by Council.	General Manager Recreation, Culture & Community Infrastructure
6/05/13	Former Moe Early Learning Centre	<ol style="list-style-type: none"> <li>1. That a community engagement process be undertaken to inform a potential Expression of Interest for funding from the State Government's <i>Putting Locals First Program</i> to redevelop the former Moe Early Learning Centre as a centre for community organisations, addressing the stated funding criteria.</li> <li>2. That subject to the community engagement process identifying a community need meeting the funding criteria, that an Expression of Interest for funding from the State Governments Putting Locals First Program be prepared and submitted.</li> <li>3. That a further report be presented to Council for consideration outlining the draft design of the former Moe Early Learning Centre based on feedback received during the community engagement process.</li> </ol>	General Manager Community Liveability

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<b>Council Meeting Date</b>	<b>Item</b>	<b>Status</b>	<b>Responsible Officer</b>
01/07/13	Traffic Investigation At Finlayson Crescent Traralgon	<ol style="list-style-type: none"> <li>1. That Council install temporary traffic calming devices in Finlayson Crescent, Traralgon for a period of six months.</li> <li>2. That a review of traffic flow during this six month period in Finlayson Crescent and adjoining cross streets be undertaken and reported back to Council.</li> <li>3. That a final determination be made by Council on review of these figures.</li> <li>4. That Council write to the head petitioner and all other residents who were invited to express their views informing them of Council's decision.</li> </ol>	General Manager Recreation, Culture & Community Infrastructure
15/07/13	Churchill East West Link Draft Master Plan: Exhibition of Report	That the outcomes of the exhibition be considered for incorporation in the final Churchill East West Link Draft Master Plan and Urban Design Framework, to be considered by Latrobe City Council at a meeting later in 2013.	General Manager Recreation, Culture & Community Infrastructure
05/08/13	Traralgon to Morwell Shared Pathway Feasibility Study-Issues and Opportunities Report	That a further report be presented to Council following the completion of the consultation period.	General Manager Recreation, Culture & Community Infrastructure
02/09/13	Draft Children's Services Plan 2013-2017	<ol style="list-style-type: none"> <li>1. That Council releases the draft Children's Services Plan 2013-17 for public comment for a period of 6 weeks.</li> <li>2. That a copy of the draft Children's Services Plan 2013-17 be forwarded to all relevant stakeholders; be made available for viewing at Council Service Centres, Libraries, Children's Services facilities and on Council's website; and public notices placed in the Council Noticeboard inviting community comment.</li> <li>3. That written submissions in relation to the draft Children's Services Plan 2013-17 be received until 5 pm on Monday, 14 October 2013.</li> <li>4. That following the community consultation process a further report is presented to Council detailing all submissions received and presenting a Children's Services Plan 2013-17 for consideration.</li> </ol>	General Manager Community Liveability
16/09/13	2013/20 - Notice Of Motion - Adam View Court, Tanjil South	That a report be provided to Council on options available for the mitigation of flooding at 25 Adam View Court, Tanjil South.	General Manager Recreation, Culture & Community Infrastructure

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<b>Council Meeting Date</b>	<b>Item</b>	<b>Status</b>	<b>Responsible Officer</b>
16/09/13	14.2 Proposed Removal Of Pedestrian Shelters Located At The Entrance To Hammersmith Circuit Traralgon	1. That Council undertake consultation with all Strand Estate Residents seeking their opinion on the proposed removal of the shelters. 2. That a further report be presented to Council detailing the findings of the consultation with estate residents.	General Manager Recreation, Culture & Community Infrastructure
16/09/13	14.3 Hazelwood Pondage Waterway And Caravan Park Lease	1. That Council authorise the Chief Executive Officer to commence negotiations with IPH GDF Suez for the lease of the caravan park, southern boat ramp and surrounds, northern boat ramp and surrounds and management of the waterway for recreational purposes, ensuring the following principals are addressed: •GDF SUEZ to retain full accountability for Blue Green Algae and water quality testing; •GDF SUEZ to remain fully accountable for the pondage integrity; •Fair and equitable termination clauses should the power station close earlier than 2025; •Clarify risk, release and indemnity conditions; •Liquidated damages; •Clarify the end of lease conditions; •Clarify the early termination conditions 2. That a further report be presented to Council following negotiations with IPH GDF SUEZ seeking Council approval of the new lease arrangements at Hazelwood Pondage. 3. That Council write to the Minister for Regional & Rural Development and advise of Council's resolution to commence negotiations with IPH GDF SUEZ .	General Manager Recreation, Culture & Community Infrastructure
07/10/13	Request for Speed Humps in Alexander Avenue, Moe	1. That Council agrees to lay the petition lodging a complaint about speeding vehicles in Alexander Avenue Moe, on the table until the Ordinary Council Meeting to be held on 2 December 2013. 2. That the head petitioner be advised of Council's decision in relation to the petition lodging a complaint about speeding vehicles in Alexander Avenue Moe.	General Manager Recreation, Culture & Community Infrastructure

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Council Meeting Date	Item	Status	Responsible Officer
07/10/13	Traralgon to Morwell Shared Pathway Feasibility Study – Petition	<p>1. That Council agrees to lay the petition objecting to the proposed route for the Traralgon to Morwell Shared pathway, on the table until the Ordinary Council Meeting to be held on 18 November 2013.</p> <p>2. That the head petitioner be advised of Council's decision in relation to the petition objecting to the proposed route for the Traralgon to Morwell Shared pathway.</p>	General Manager Recreation, Culture & Community Infrastructure
07/10/13	Draft Latrobe City Municipal Public Health and Wellbeing Plan 2013-2017	<p>1. That Council releases the draft Municipal Public Health and Wellbeing Plan 2013-2017 for public comment.</p> <p>2. That a copy of the draft Municipal Public Health and Wellbeing Plan 2013-2017 be forwarded to all relevant stakeholders; be made available for viewing at Council Service Centres, Libraries and on Council's website; and public notices placed in the Council Noticeboard inviting community comment.</p> <p>3. That written submissions in relation to the draft Municipal Public Health and Wellbeing Plan 2013-2017 be received until 5 PM on Tuesday, 5 November 2013.</p> <p>4. That following the community consultation process a further report is presented to Council detailing all submissions received and presenting a Municipal Public Health and Wellbeing Plan 2013-2017 for consideration.</p>	General Manager Community Liveability
07/10/13	Planning Permit Application 2013/117, Use of Land for a Restricted Recreation Facility (24 hour gymnasium) and Display of Business Identification Signage and Internally Illuminated Signage at 103 Argyle Street, Traralgon	That this matter be deferred until the next Council Meeting to enable officers to follow up with the applicant.	General Manager Governance
07/10/13	Planning for Growth – Lake Narracan Precinct Draft Concept Plans Community Consultation Package	<p>1. That Council defer the release of the Lake Narracan Precinct Draft Concept Plans for a period of four (4) weeks to allow discussion with the Lake Narracan User Group.</p> <p>2. That the Lake Narracan User Group be provided with a full copy of the draft Plans and that a meeting of the Lake Narracan User Group be held as soon as possible.</p>	General Manager Governance

# NOTICES OF MOTION

**8. NOTICES OF MOTION**

**8.1 2013/24 - Notice Of Motion - Sporting Clubs to be acknowledged**

**Cr Christine Sindt**

That the success of the following clubs be suitably acknowledged by Council:

1. the Morwell Football Club for winning the 2013 Gippsland League Premiership; and
2. the Glengarry Football for winning the 2013 North Gippsland League Premiership.

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

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

**9.1 Consideration of Adoption of the Traralgon Growth Areas Review (TGAR) and Planning Scheme Amendments Authorisation Request**

**Chief Executive Officer**

**For Decision**

**PURPOSE**

The purpose of this report is for Council to consider:

- alterations to the TGAR reports in response to submissions received and for Council to consider adoption of the final TGAR report and plans.
- a request to be made to the Minister for Planning to authorise the preparation and exhibition of a proposed planning scheme amendment to the Latrobe Planning Scheme, in accordance with Section 8A (3) of the *Planning and Environment Act 1987* (the Act).

**DECLARATION OF INTEREST**

The General Manager Governance has declared an interest under section 78B of the *Local Government Act 1989*.

**STRATEGIC FRAMEWORK**

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

***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 complementary to its surroundings, and which provides for a connected and inclusive community.

*Strategic Objectives – Economy*

In 2026, Latrobe Valley has a strong and diverse economy built on innovation and sustainable enterprise. The vibrant business centre of Gippsland contributes to the regional and broader communities, whilst providing opportunities and prosperity for our local community.

*Strategic Objectives – Governance*



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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 5: Planning for the future*

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:*

*Local Government Act 1989*

*Planning and Environment Act 1987*

*Transport Integration Act 2010*

#### *Policy - Traralgon West Infrastructure Development Policy 11 POL-2*

This policy sets out Latrobe City Council's procedure for the assessment of subdivision proposals and the equitable provision and management of stormwater and road infrastructure within the Traralgon West Low Density Residential Precinct.

### **BACKGROUND**

#### The Traralgon Growth Areas Review (TGAR)

TGAR is intended to provide a growth strategy that identifies areas for future urban development (i.e. housing, commercial, industrial and open space) around Traralgon, Traralgon-Morwell Corridor, Glengarry and Tyers up to the year 2051.

The project has been developed in response to the previous State Government's decision in 2007 to adopt W1C (northern-most alignment) and E2D (eastern alignment) as the preferred alignment for the future Princes Freeway – Traralgon Bypass. This decision removed approximately 500 hectares from a future urban growth corridor that was planned by the Latrobe City Council to accommodate Traralgon's urban growth into the future.

The TGAR project has been jointly funded by the Department of Transport, Planning and Local Infrastructure (DTPLI) (former Department

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of Planning and Community Development) and Regional Development Victoria (RDV). The TGAR project consists of three principle documents:

- Background Report – examines the existing and future socio-economic conditions and planning policy environment that affects the study area
- Framework Plan – examines demand for urban land and options for providing the location for such land
- Structure Plan – examines in detail how the area between Traralgon and Morwell corridor could develop

The draft TGAR Background Report, draft TGAR Framework Plan report and draft Traralgon West Structure Plan report were presented to Council for consideration at its Ordinary Council Meeting of 2 April 2012. At the Meeting Council resolved:

1. *That Council endorses the draft TGAR Background Report, draft TGAR Framework Plan and draft Traralgon West Structure Plan for community consultation for a period of 8 weeks from 9 April 2012 until 31 May 2012.*
2. *That a further report be presented to Council following the community consultation process.*

The TGAR project was placed on public exhibition in accordance with Item 1 of the 2 April 2012 resolution.

The community consultations for the TGAR project were extended several times in accordance with subsequent Council resolutions and the consultation period finished on 16 November 2012. These Council resolutions are outlined below.

#### **4 June 2012 Council Meeting**

1. *That the CEO arranges a meeting between Australia Paper, EPA, relevant Council Officers and/or consultant and all landowners affected by the buffer as stated in the TGAR (Traralgon Growth Areas Review).*
2. *That the timeline for submissions to the TGAR be extended until two weeks after the date of the meeting.*
3. *That all affected landowners be sent a written notice inviting them to the meeting at least 10 days prior to the meeting and in addition an ad be placed in the Council's Noticeboard in The Express.*
4. *That all Councillors be invited to this meeting.*

As a result of the 4 June 2012 Council resolution, the consultation period to the draft TGAR reports was extended until 27 August 2012.

#### **20 August 2012 Council Meeting**

*That Council extends the submission deadline for the Traralgon Growth Areas Review from 27 August 2012 to 28 September 2012.*

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As a result of the 20 August 2012 Council resolution, the community consultation to the draft TGAR reports was extended from 27 August 2012 to 28 September 2012.

**17 September 2012 Council Meeting**

1. *That Council supports the extension of the time period allowing for submissions on the draft TGAR to 16 November 2012.*
2. *That the extension be advertised in the Council Noticeboard and a public notice in the Latrobe Valley Express.*

As a result of the 17 September 2012 Council resolution, the community consultation to the draft TGAR reports was extended from 28 September 2012 to 16 November 2012.

**11 February 2013 Council Meeting**

A council report providing an update on amended TGAR project timelines and detailing all written submissions received to the TGAR project was presented to Council for consideration at a Special Council Meeting on 11 February 2013. At the Meeting Council resolved:

1. *That Council hear from the submitters to the Traralgon Growth Areas Review.*
2. *That Council note this report and the attached written submissions.*
3. *That Council note that the TGAR reports will be reviewed based on submissions received and that the final TGAR documents will be presented to Council for consideration and adoption during 2013.*

Council officers have been working with the TGAR project consultants to make changes to the draft TGAR report and plans as a result of the feedback from the community and key stakeholders.

**16 September 2013 Council Meeting**

A council report to consider adoption of the final TGAR report and plans, and for a request to be made to the Minister for Planning to authorise the preparation and exhibition of a proposed planning scheme amendment to the Latrobe Planning Scheme was presented to Council at the Ordinary Council Meeting on 16 September 2013. At the Meeting Council resolved:

*That Council defer this matter until the Ordinary Council Meeting to be held on 21 October 2013 to allow for further consideration.*

Members of the community spoke to TGAR at the 16 September 2013 Council Meeting, including representatives from the TGAR Community Working Group. Council officers met with the Group post the Council Meeting to further discuss the proposed TGAR urban amenity buffer.

*The Planning Scheme Amendment Proposal*

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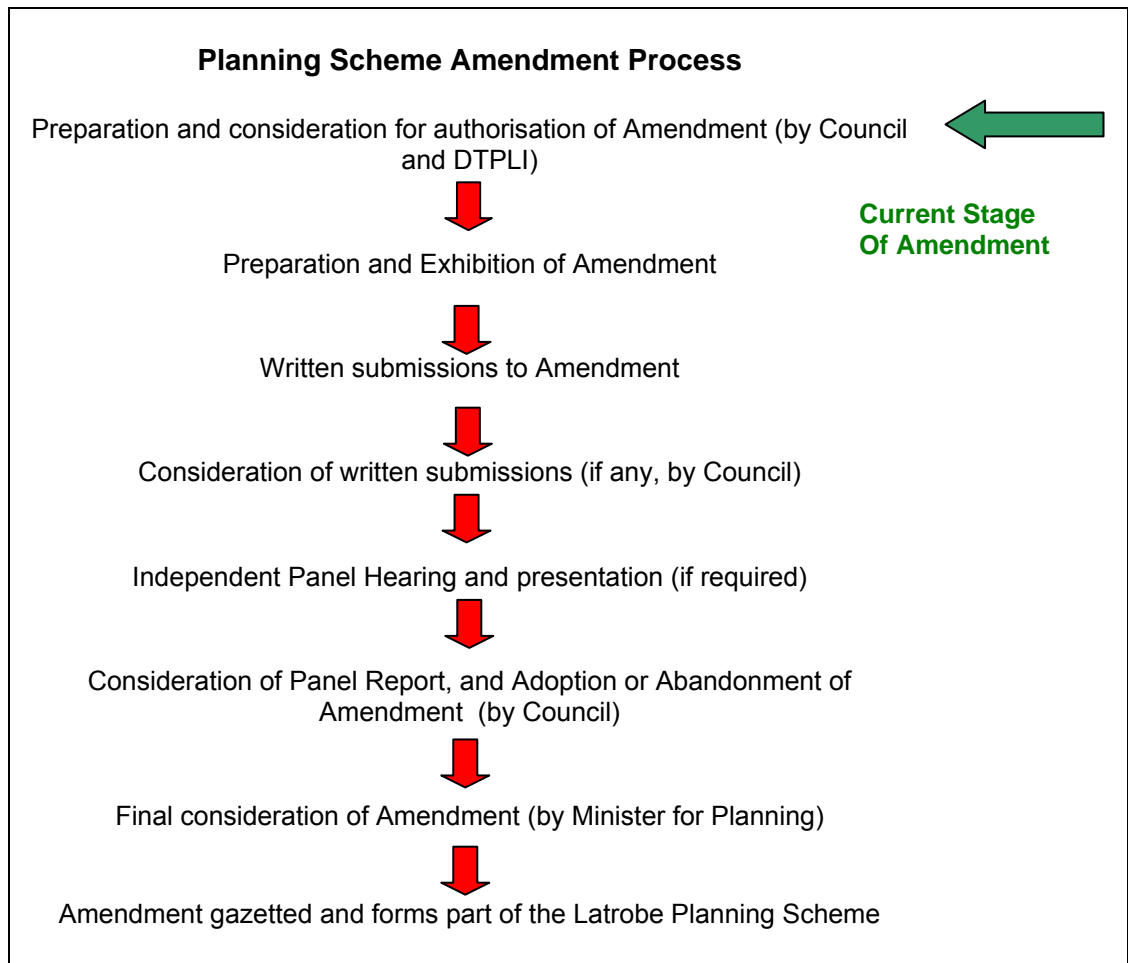
An amendment to the relevant clauses of the Municipal Strategic Statement (MSS) of the Latrobe Planning Scheme is proposed to enable key parts of the TGAR Framework Plan and Traralgon West Structure Plan to be included in the scheme. The MSS is proposed to be changed in the following way:

- Inclusion of new and amended TGAR wording objectives and strategies for clauses 21.02 Municipal Vision; 21.04 Built Environment Sustainability; 21.05 Main Towns; 21.06 Small Towns; and 21.07 Economic Sustainability
- Inclusion of a new Growth Area Framework map and Traralgon to Morwell Corridor Structure Plan map
- Amendment of the existing Traralgon Structure Plan; the eastern part of the existing Morwell Structure Plan; the Tyers Structure Plan; and the southern part of the Glengarry Structure Plan
- Inclusion of the TGAR Background Report, TGAR Framework Plan and Traralgon West Structure Plan as reference documents
- Inclusion of further work to be undertaken in the 'Implementation - Further Strategic Work' clauses

Proposed zone and overlay changes do not form part of the planning scheme amendment proposal. These changes may form parts of separate future planning scheme amendment proposals.

*Planning Scheme Amendment Statutory Requirements*

The planning scheme amendment process is shown in the figure below and provides an indication of the stage of the process if council resolves to request authorisation from the Minister for Planning to prepare and exhibit the proposed amendment.



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. In addition, each amendment proposal must address the Department of Transport, Planning and Local Infrastructure (DTPLI) publication *Strategic Assessment Guidelines for Planning Scheme Amendments*. The amendment proposal has had regard to Section 12 and is consistent with the requirements of Section 12 of the Act and the *Strategic Assessment Guidelines for Planning Scheme Amendments*.

### **ISSUES**

The draft TGAR Background Report, draft TGAR Framework Plan and draft Traralgon West Structure Plan were placed on public exhibition for a period of 32 weeks from 9 April 2012 until 16 November 2012. A total of 72 written submissions were received in response to the public exhibition of the draft TGAR reports.

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Further details on the activities undertaken during the exhibition period and the main themes arising from the written submissions are provided in the Internal/External Consultation section of this council report.

A brief summary of the type of submissions received are provided below:

*Table 1 Submission Summary*

Type of Submission (broad)	Number
Supportive submissions	<b>21</b> (with some minor requests for modifications or clarifications)
Responses from government departments and authorities	<b>7</b>
Objections to the proposed Australian Paper urban amenity buffer	<b>38</b>
Objections based on specific requests to change land use for various parcels of land	<b>4</b>
Bulky Goods and medium density at the Hollydale site, Traralgon-Morwell Corridor	<b>3</b> (1 in favour of use of bulky goods and 2 not in favour of bulky goods)

Please note: Some submissions were in support of and objected to different submission themes. Therefore, the number of submission types do not add up to the total submitters

A response to all submissions received is documented in Appendix 1 to the Traralgon Growth Area Framework Plan which is attached to this council report.

Consultation with the community, key stakeholders, and consideration of written submissions has resulted in changes being required to be made to the exhibited draft TGAR report and plans. The broad matters that have informed the changes include:

#### *New Australian Bureau of Statistics (ABS) Data*

The exhibited draft TGAR Background Report, draft TGAR Framework Plan and draft Traralgon West Structure Plan used 2006 ABS and 2008 Victoria in Future population data to guide population and urban land use (i.e. residential, commercial, industrial and open space) demand projections. The draft TGAR report and plans have now been updated to include the 2011 ABS and 2012 Victoria in Future data. The updated data shows evidence of recent increases in population growth rates. However, this is consistent with the original longer term population projections that were provided in the exhibited draft TGAR report and plans.

#### *New and Changing Policy Environment*

A number of key state and local government policy documents have been developed since the draft TGAR report and plans have been exhibited. Some of these documents include (*inter alia*) the draft Gippsland Regional Growth Plan; Advisory Committee Report on Development Contribution Plans; new Residential, Commercial, and Industrial Zones; new bushfire

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provisions; draft LCC Traralgon to Morwell Shared Pathway Feasibility Study; and the adopted LCC Public Open Space Strategy. Reviews of the Latrobe Regional Airport Masterplan and the Latrobe Regional Hospital Masterplan are also scheduled to commence. Key state and local government policy documents have been considered by Council officers and the TGAR project consultants and the final TGAR report and plans are now consistent with the strategic intent of these policy documents. In particular, additional discussion regarding the regional city role of Latrobe City and the growth potential identified in the draft Gippsland Regional Growth Plan has been included in the final TGAR report and plans.

### *New Council Resolutions and Development Plan Approvals*

Council resolved on the 19 November 2012 that Council's preferred lot density was 11 lots per hectare on unencumbered residential land. The exhibited draft TGAR report and plans recommended a minimum lot density of 15 lots per hectare. Specific reference to 15 lots per hectare has been removed from the exhibited draft TGAR documents in favour of a more general discussion around the implication of providing lots within the study area at different densities up to 2051. Further additional work around the role of LCCs housing strategy regarding lot densities is also included in the final TGAR documents. A number of LCC residential subdivision development plans in Traralgon have been approved or are nearing completion. The exhibited draft TGAR report and plans have been updated to reflect the future staging and release of residential lots in these areas.

### *Changes in New and Redundant Zones and Overlays*

Rezoning of new land to Residential 1 (in Traralgon and Glengarry) and Business 4, now Commercial 2, (in East Morwell) has occurred since the draft TGAR report and plans were exhibited. The application of Development Plan and Design and Development Plan Overlays (in Traralgon, East Morwell and Glengarry) and the removal of the Special Use Zone - Morwell River Diversion (in East Morwell) have also occurred. The final TGAR documents have been updated to reflect these zone and overlay changes by updating maps and land supply estimates.

### *Australian Paper Urban Amenity Buffer Amendments*

The exhibited draft TGAR report and plans illustrate the location of a proposed Australian Paper urban amenity buffer. Table 1 above and Appendix 1 to the Traralgon Growth Area Framework Plan provide evidence that this issue generated receipt of the most written submissions to the exhibited draft TGAR report and plans. Council officers have been meeting with Environment Protection Authority, Australian Paper, community groups and individuals in an effort to finalise any required adjustments to the proposed urban amenity buffer. The exhibited draft TGAR proposed urban amenity buffer has been retained in principle but changed in the following way:

- The title 'proposed odour buffer' has been changed to 'proposed urban amenity buffer' in response to community feedback

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- Existing Low Density Residential Zone land immediately west of Traralgon has been excluded from the proposed urban amenity buffer map to reflect subdivision opportunities that existed in the Latrobe Planning Scheme prior to Australian Paper odour modelling being undertaken
- Minor amendment to the boundary of the proposed urban amenity buffer map to better reflect title boundaries and road reserve alignments, particularly in the south eastern section of the proposed urban amenity buffer
- Acknowledgment that an area in Morwell North around Paul Street and an area immediately south of Tyers township may require further odour modelling by Australian Paper that may result in future minor amendments to the boundary of the proposed urban amenity buffer map
- Acknowledgement that there may be potential (subject to planning permit application assessment) to honour the limited subdivision potential in the existing Rural Living Zone within the proposed urban amenity buffer that existed in the Latrobe Planning Scheme prior to Australian Paper odour modelling being undertaken

***Bulky Goods***

The exhibited draft TGAR report and plans discourage bulky goods use and development at the Hollydale site west of Bradford Drive in the Traralgon to Morwell corridor. One submitter was in support of bulky goods and two submitters objected to bulky goods on the site. Council is also currently considering a combined rezoning and planning permit proposal from one of the TGAR submitters that would facilitate a large bulky goods development on the Hollydale site. The consideration of the rezoning proposal is subject to the outcome of the TGAR project. The proposal for bulky goods use and development at the Hollydale site was independently reviewed by an economist who also discouraged bulky goods use and development at the site. Accordingly, the final TGAR documents have been updated to provide further discussion regarding the rationale for not supporting bulky goods use and development at the Hollydale site. The rationale includes (*inter alia*):

- Concerns over an existing oversupply of bulky goods land, which would be exacerbated by any further commercial rezoning including existing bulky goods opportunities in the new Commercial 2 Zone
- The existence of two other precincts (already adopted and identified in the Latrobe Planning Scheme as the most appropriate for bulky goods uses through a previous study) which have not yet been developed and are or will be available for development
- Activity created by a new bulky goods development may cause commercial shop closures elsewhere in the area and result in no real net gain in retail spending or employment



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- The intention of the TGAR framework to avoid ad-hoc 'strip' development along the Hollydale frontage, as has occurred previously between Morwell and Traralgon
- The importance of the Hollydale site as one of a limited number of strategically located greenfield sites capable of accommodating significant residential populations

### *Employment Investigation Area and Neighbourhood Activity Centre*

The exhibited draft TGAR reports and plans show a future employment investigation area around the Latrobe Regional Hospital and south west of the Latrobe Regional Airport. The TGAR documents also show a future neighbourhood activity centre (NAC) near the Latrobe Regional Hospital and the Latrobe Regional Airport. Some submitters sought further clarification on the role and intent of these areas.

The final TGAR documents have been updated by including further discussion around reasons for a NAC, including:

- The large number of people employed at the airport and hospital who would be able to access services and facilities within the NAC
- The recommended establishment of an additional rail station opposite the hospital would ensure improved and sustainable access to the NAC
- Persons who reside in existing higher density residential development in the form of retirement villages, caravan parks, as well as the accommodation options such as motels in the area would be able to access services and facilities within the NAC. These residential activities would also help support the ongoing viability of the NAC

The NAC is not intended to serve a significant retail function, as seen in centres such as Mid Valley and the Traralgon and Morwell CBDs, rather it is intended to provide a locally accessible range of services and retail offering to meet the day-to-day needs of the resident and worker population of the area as well as support the airport and hospital by offering flexibility for related land uses to establish in close proximity. Larger scale office uses should be restricted to the Traralgon CBD, or where there is a demonstrated nexus through co-location, such as in association with the hospital or airport.

The final TGAR documents have been updated by including further discussion around the reasons for a future 'employment investigation area', including:

- The need to develop this area for either employment generating uses associated with the airport or hospital which will support the long term growth of the municipality in line with the draft Gippsland Regional Growth Plan and Latrobe City Council's Economic Development Strategy
- The potential for expansion of the employment investigation area further to the west in the Traralgon West Structure Plan

Some integrated residential development on unconstrained land where it will not compromise the preferred future employment use of the area could be supported. The area has not been identified for retail uses, with the exception of land that may form part of the NAC or be directly associated with the airport or hospital, as dispersal of retail development is to be avoided in the area without strong justification.

*Urban Growth to the East and West of Traralgon*

The exhibited draft TGAR reports and plans show urban growth opportunities to the East of Traralgon for 'future long term residential' and 'potential long term industrial'. The TGAR reports also show urban growth opportunities to the West of Traralgon for 'residential intensification' and 'employment' (see Traralgon West Structure Plan). Some submitters note that these future urban growth areas may be isolated from existing development and that the location of these future areas will need to be consistent with the strategic direction of the (yet to be finalised) *Gippsland Regional Growth Plan*.

The TGAR reports and plans provide a framework for Traralgon's long term growth up to 2051 and it is expected that overtime urban growth areas to the East and West of Traralgon will be well connected to the existing urban area. The TGAR Framework report provides a suggested staging plan and the need for development plans and contribution plans to assist the logical sequential development in these areas. The lack of urban growth opportunities to the North and South of Traralgon due to flooding and coal resource constraints and the location of the proposed Princes Freeway bypass reinforce the need to plan for future urban growth areas to the East and West of Traralgon. It is noted that the *draft Gippsland Regional Growth Plan 2013* only shows some of TGARs future urban growth areas to the East and West of Traralgon and council officers have provided feedback to DTPLI regarding this matter.

The final TGAR documents have been updated by including further discussion around:

- reinforcing the importance of planning for future urban growth areas to the East and West of Traralgon
- the option of investigating farming land south of the Latrobe Regional Hospital and the Princess Highway if the proposed Princes Freeway bypass is relocated and coal resource constraints are addressed

*Bushfire Buffers and Industrial Buffers*

The final TGAR documents have been updated by including further discussion around:

- Relocating a future Rural Living growth front from the West of Tyers to the East of Tyers to take into account and allow an appropriate buffer for bushfire risk
- The need for amenity buffers and transition areas in relation to existing and future industrial land where the land adjoins residential areas

*Biodiversity*

The final TGAR documents have been updated to better reflect existing biodiversity issues within the study area in response to community feedback. In particular, further identification of biodiversity issues in certain areas has assisted in identifying constraints and opportunities to future urban development.

**FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the *Risk Management Plan 2011-2014*.

The risks to Council relevant to this report are the shortage of land available to support long term growth of the municipality and the delay in finalising the TGAR project. The project addresses the risk to Council by identifying areas for future urban development (housing, commercial, industrial and open space) around Traralgon, Traralgon-Morwell Corridor, Glengarry and Tyers.

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. Approximately \$43,000 has been allocated in the current 2013/2014 budget year to enable the planning scheme amendment to proceed.

**INTERNAL/EXTERNAL CONSULTATION***Engagement Method Used:***Community Consultation**

The draft TGAR Background Report, draft TGAR Framework Plan and draft Traralgon West Structure Plan were placed on public exhibition for a period of 32 weeks from 9 April 2012 until 16 November 2012.

As part of the community consultation process Council officers have posted approximately 950 letters to the following groups:

- Land owners that will be directly affected by the proposed recommendations of the draft TGAR reports
- Statutory agencies, referral authorities and Council officers
- Private land surveyors, development consultants, builders and major employers

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To further promote the community consultation process for the TGAR project, two public notices were published in the Latrobe Valley Express in April 2012.

In addition, information and draft reports associated with the TGAR project were (and are still) available for public viewing on Latrobe City Council's corporate website and at the Traralgon Service Centre, Glengarry General Store and Tyers General Store.

Council officers and project consultants met with over 250 people via four targeted workshops and over 50 one-on-one meetings at the Traralgon RSL from 1 May 2012 until 3 May 2012.

At the Ordinary Council Meeting on 4 June 2012, Council resolved to further engage with stakeholders that may be impacted by the Australian Paper buffer as identified in the draft TGAR reports.

Latrobe City Council in conjunction with Australian Paper and Environment Protection Agency conducted three information sessions between 7 August 2012 and 9 August 2012 to explain the proposed Australian Paper buffer and respond to any questions from the community.

At the Ordinary Council Meeting of 20 August and 17 September 2012, Council resolved to further extend the community consultation period until 16 November 2012.

At the Special Council Meeting on 11 February 2013, Council heard from submitters to the TGAR project and resolved to note all written submissions and that the final amended TGAR documents will be presented to Council for consideration and adoption during 2013.

Council officers have met with stakeholders for one-on-one discussions at Latrobe City Council offices during and post the community consultation period. Council officers also met with the TGAR Community Working Group post the 16 September 2013 Ordinary Council Meeting to further discuss the proposed TGAR urban amenity buffer.

### **Submissions received**

A total of 72 written submissions (including five late submissions) were received in response to the public exhibition of the draft TGAR reports (see Appendix 1 of Traralgon Growth Area Framework Plan). Three of the five late written submissions were received post the 11 February 2013 Special Council Meeting where Council heard presentations from submitters to the TGAR project. The three late written submissions (numbers 70 - 72) are attached to this council report for the Councillors' consideration.

The key themes that emerged from all of the written submissions received are summarised as follows:

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- Support for the development of a train station at the Traralgon - Morwell Corridor
- Support for the future rezoning and subdivision opportunity in various locations for landholders
- Clarification surrounding the staging and timing of the release of future urban development in Traralgon East and Traralgon West
- Clarification of the role of the 'employment investigation area' and the 'neighbourhood activity centre' near the Latrobe Regional Hospital
- The need for food security to be identified as a constraint for urban development due to the Gippsland region being identified as an important area for food production into the future
- The identification of environmental and socio-economic constraints that may affect future urban development
- The perceived devaluation of property values due to proposed Australian Paper odour buffer
- The proposed application and extent of Australian Paper odour buffer in the Traralgon West and Morwell North areas
- Concerns regarding the development of a new bulky goods store and medium density development at Hollydale in the Morwell-Traralgon Corridor
- Requests to change the land use shown in TGAR for various parcels of land
- The need for greater emphasis in the TGAR reports on biodiversity issues and bushfire risk issues in identifying areas for future urban development
- Concerns regarding residential development surrounding the Traralgon golf course
- The increase of rates for land rezoned to Residential Zone in recent ministerial C48, C56 and C58 rezonings (although it is noted that this issue goes beyond the scope of the study)

A detailed planning response is provided to all submissions received in Appendix 1 of the Traralgon Growth Areas Framework Plan.

The recent community consultations for the TGAR project are consistent with the endorsed communication plan and Council's *Community Engagement Plan 2010-2014*.

*The Planning Scheme Amendment Proposal*

The amendment proposal 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 and local newspapers 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.

**OPTIONS****The Traralgon Growth Areas Review (TGAR)**

The options available to Council are as follows:

1. That Council, after considering all written submissions and changes to the draft TGAR documents, resolves to adopt the TGAR reports.
2. That Council, after considering all written submissions and changes to the draft TGAR documents, resolves to not adopt the TGAR reports.
3. That Council, after considering all written submissions and changes to the draft TGAR documents, request further information be provided in relation to the project.

**The Planning Scheme Amendment Proposal**

Pending consideration of the TGAR project options above, the planning scheme amendment 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.
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 final TGAR reports deliver a growth strategy that will identify areas for future urban development (housing, commercial, industrial and open space) around Traralgon, Traralgon-Morwell corridor, Glengarry and Tyers up to the year 2051.

The extensive community consultation that has occurred has enabled the community and stakeholders the opportunity to consider and comment on the proposed ideas and recommendations of the draft TGAR reports prior to finalising the TGAR project. The community feedback provided a high level of support for the TGAR project and also identified a limited number of key issues of concern, principally around the proposed Australian Paper urban amenity buffer in the western portion of the study area;

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

the proposed bulky goods development at the Hollydale site; and concerns based on specific requests for land to be rezoned. Most of these key issues of concern involve land located in the Traralgon-Morwell corridor.

While not all of the community and stakeholder feedback was able to be incorporated into the TGAR report and plans, the TGAR documents have been substantially amended as a result of consultation and in responding to written submissions. The community and stakeholder feedback has enhanced the outcomes of the TGAR project.

The final TGAR documents provide a balanced long term urban growth strategy framework for Traralgon, Glengarry and Tyers that will help secure some of the urban supply needs of the municipality. The final TGAR documents also contribute to the regional city role and needs of Latrobe City and the growth employment potential identified in the *draft Gippsland Regional Growth Plan 2013* and the *Latrobe City Council Plan 2013-2017*.

The adoption of the TGAR reports will enable the process of their inclusion into the Latrobe Planning Scheme by way of a future planning scheme amendment.

#### Attachments

1. Traralgon Growth Areas Framework *[Published separately]*
2. Traralgon Growth Areas Review Background Report *[Published separately]*
3. Traralgon West Structure Plan *[Published separately]*
4. TGAR Late Submissions 70-72 *[Published separately]*

### RECOMMENDATION

- 1 That Council having considered all written submissions received to Traralgon Growth Areas Review (TGAR), adopt the final TGAR Background Report, final TGAR Framework Plan and final Traralgon West Structure Plan all dated August 2013**
- 2 That Council requests Authorisation from the Minister for Planning to prepare and exhibit the proposed amendment to the Latrobe Planning Scheme, which seeks to amend the relevant clauses of the Municipal Strategic Statement to enable key parts of the TGAR Framework Plan and Traralgon West Structure Plan to be included in the Scheme**
- 3 That Council advises those persons who made written submissions to TGAR and key stakeholders of Council's decision and thanks them for their participation in the project**

# CORRESPONDENCE



10. CORRESPONDENCE

**10.1 MAV State Council Motion - Wellington Shire Council**

Chief Executive Officer

For Decision

**PURPOSE**

The Municipal Association of Victoria (MAV) State Council Meeting will be held on Friday, 25 October 2013. Members may submit Motions for consideration by the State Council, in writing to the MAV.

Latrobe City Council has been asked to support Wellington Shire Council in their Motion to the State Council Meeting.

**DECLARATION OF INTEREST**

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

**OFFICER COMMENTS**

Each year the MAV hold a state Council Meeting where member councils have the opportunity to submit motions for consideration.

Motions and letter of support were required by Friday, 27 September 2013. Due to the late request from Wellington Shire Council for a letter of support, Latrobe City Council was unable to submit a support letter in time for the business papers.

Latrobe City Council has the opportunity to provide a letter of support which can be taken along to the MAV State Council Meeting by the relevant council.

The motion that Latrobe City Council has been asked to support is as follows:

*'That the MAV seek:*

- *Reconsideration of recent changes made to the Natural Disaster Relief and Recovery funding arrangements that now prevent Local Government from accessing funding on behalf of communities to reinstate/repair walking paths and trails, sporting and recreation facilities and other community infrastructure damaged by natural disasters.'*

Attachments

1. Motion

**RECOMMENDATION**

**That the Mayor writes to Wellington Shire Council providing support to the MAV State Council Motion:**

- **Reconsideration of recent changes made to the Natural Disaster Relief and Recovery funding arrangements that now prevent Local Government from accessing funding on behalf of communities to reinstate/repair walking paths and trails, sporting and recreation facilities and other community infrastructure damaged by natural disasters.'**

# **10.1**

## **MAV State Council Motion - Wellington Shire Council**

**1 Motion..... 39**

## MAV State Council Annual Meeting – 25 October 2013

To submit a motion for consideration by State Council on 25 October, 2013, please complete this form and email to [State Council](#), **not later than 27 September 2013**. Please note, deadlines are strictly observed.

### **MOTION**

### **CHANGES TO NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS**

*Submitted by: Wellington Shire Council*

#### **MOTION:**

That the MAV seek :

- Reconsideration of recent changes made to the Natural Disaster Relief and Recovery funding arrangements that now prevent Local Government from accessing funding on behalf of communities to reinstate / repair walking paths and trails, sporting and recreation facilities and other community infrastructure damaged by natural disasters.

#### **RATIONALE:**

In December 2012 the Australian Government made changes to the Natural Disaster Relief and Recovery Arrangements through the approval of a new determination. These new arrangements are now in effect.

This determination states that funding provided to Local Government post emergency events will only be provided to fund Essential Public Infrastructure. Essential public infrastructure is considered to generally include facilities associated with health, education, transport, justice or welfare related assets. Walking paths and trails, sporting and recreation facilities and other community infrastructure will now not be funded through these arrangements if they are impacted during a natural disaster.

The significant, detrimental impact this funding decision has had on a disaster affected community is demonstrated through the process that the Seaton / Heyfield community is still working through post the January 2013 Aberfeldy-Donnellys fire to reinstate community infrastructure. This fire caused the death of one person and destroyed nineteen houses in addition to severely damaging the Seaton Recreation Reserve and Tennis Court. This is the only community infrastructure in the town.

A community committee including several people directly impacted by the fire, has been required to submit funding applications to a range of state government departments, community groups and organisations to fund repairs to the recreation hall, fencing, amenities block and playground.

Local Government believes this is an unreasonable burden placed on a community that is struggling to recover from a natural disaster and demonstrates the importance of the reinstatement of access to disaster relief and recovery funding that enables the reinstatement / repair of paths and trails, sporting and recreation facilities and other community infrastructure impacted by natural disasters.

**ORDINARY COUNCIL MEETING AGENDA  
21 OCTOBER 2013 (CM400)****10.2 MAV State Council Motion - South Gippsland Shire Council****Chief Executive Officer****For Decision****PURPOSE**

The Municipal Association of Victoria (MAV) State Council Meeting will be held on Friday, 25 October 2013. Members may submit Motions for consideration by the State Council, in writing to the MAV.

Latrobe City Council has been asked to support South Gippsland Shire Council in their Motion to the State Council Meeting.

**DECLARATION OF INTEREST**

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

**OFFICER COMMENTS**

Each year the MAV hold a state Council Meeting where member councils have the opportunity to submit motions for consideration.

Motions and letter of support were required by Friday, 27 September 2013. Due to the late request from South Gippsland Shire Council for a letter of support, Latrobe City Council was unable to submit a support letter in time for the business papers.

Latrobe City Council has the opportunity to provide a letter of support which can be taken along to the MAV State Council Meeting by the relevant council.

The motion that Latrobe City Council has been asked to support is as follows:

*‘That the MAV call on the State Government to increase their Road Maintenance Funding Allocation to provide VicRoads with sufficient funds to meet community and transport industry customer service levels and performance standard expectations which are currently not being met.’*

**Attachments**

1. Motion

**RECOMMENDATION**

That the Mayor writes to the South Gippsland Shire providing support to the MAV State Council Motion:

- *That the MAV call on the State Government to increase their Road Maintenance Funding Allocation to provide VicRoads with sufficient funds to meet community and transport industry customer service levels and performance standard expectations which are currently not being met.*

## **10.2**

### **MAV State Council Motion - South Gippsland Shire Council**

<b>1</b>	<b>Motion.....</b>	<b>45</b>
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## MAV State Council Meeting – 25 October 2013

To submit a motion for consideration by State Council on 25 October 2013, please complete this form and email to [State Council](#), **not later than 27 September 2013**. Please note, deadlines are strictly observed.

### **MOTION**

#### **INCREASE ROAD MAINTENANCE FUNDING TO VICROADS FROM THE STATE**

**Submitted by: South Gippsland Shire Council**

#### **MOTION:**

That the MAV call on the State government to increase their Road Maintenance Funding Allocation to provide VicRoads with sufficient funds to meet community and transport industry customer service levels and performance standard expectations which are currently not being met.

#### **RATIONALE:**

Since the contracting out of road maintenance in the 1980s and the introduction of the Road Management Act in 2004, the focus of road maintenance has shifted from a proactive approach to a cost minimisation, risk management and reactive maintenance approach.

The Road Management Act fundamentally set the level of service in balance with the level of funding. The long standing drought reduced the amount of work required to meet established performance standards of the 1990 to 2010 period. When the drought broke around 2010/11 it exposed a road network that had been neglected from preventive maintenance activities such as table drain maintenance. The increased wet weather resulted in wet pavements and the rapid increase in pavement defects. Road authorities found themselves with a network requiring intensive road maintenance works without the necessary funding to support the task. Road authorities had no other option but to change the service levels to reflect the available road maintenance budget. These new service levels are what we are all currently experiencing. Blowing a tyre on a pothole was once a rare event but now sadly, it is a common occurrence following a few days of wet weather.

The May 2013 State Government announcement of \$170m in additional funding, over a three-year period, to road maintenance was a well needed boost but still short of the required amount to see a return to meeting customer expectations.

Additional funding will provide the opportunity to move from a reactive to a proactive maintenance approach which will see pavement defects prevented before they are given a chance to occur. This reduces the overall time and cost of the repair and above all provides a safer road network for our communities, while reducing the cost of the freight task which benefits our economy.

This request is supported by the following key strategic documents/partners:

- *Victoria the Freight State* - Victorian Freight and Logistics Plan August 2013: Direction 9 - an efficient road freight network
- *Gippsland Freight Strategy June 2013: Action Item 8 - Improve Industry Productivity In Gippsland By Maintaining Road Conditions To Appropriate Performance Standards.*
- *Gippsland Regional Growth Plan (Draft) June 2013: 14.2 Transport Networks - safe, reliable and resilient network.*
- In-Principle support from Gippsland Local Government Network Councils



**10.3 MAV State Council Motion - Bass Coast Shire Council****Chief Executive Officer****For Decision****PURPOSE**

The Municipal Association of Victoria (MAV) State Council Meeting will be held on Friday, 25 October 2013. Members may submit Motions for consideration by the State Council, in writing to the MAV.

Latrobe City Council has been asked to support Bass Coast Shire Council in their Motion to the State Council Meeting.

**DECLARATION OF INTEREST**

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

**OFFICER COMMENTS**

Each year the MAV hold a State Council Meeting where member councils have the opportunity to submit motions for consideration.

Motions and letter of support were required by Friday, 27 September 2013. Due to the late request from Bass Coast Shire Council for a letter of support, Latrobe City Council was unable to submit a support letter in time for the business papers.

Latrobe City Council has the opportunity to provide a letter of support which can be taken along to the MAV State Council Meeting by the relevant council.

The motion that Latrobe City Council has been asked to support is as follows:

*'That the MAV request the Minister for Local Government to support amendment of the Local Government Act 1989 to include a definition of 'charitable purposes' that clearly excludes the conduct of substantial commercial activities by charitable bodies.'*

**Attachments**

1. Motion

**RECOMMENDATION**

That the Mayor writes to Bass Coast Shire Council providing support to the MAV State Council Motion:

- *That the MAV request the Minister for Local Government to support amendment of the Local Government Act 1989 to include a definition of 'charitable purposes' that clearly excludes the conduct of substantial commercial activities by charitable bodies.*

## **10.3**

### **MAV State Council Motion - Bass Coast Shire Council**

<b>1</b>	<b>Motion.....</b>	<b>51</b>
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## MAV State Council Meeting – 25 October 2013

To submit a motion for consideration by State Council on 25 October 2013, please complete this form and email to [State Council](#), **not later than 27 September 2013**. Please note, deadlines are strictly observed.

### **MOTION**

#### **RATING EXEMPTION FOR CHARITABLE LAND**

**Submitted by:** *Bass Coast Shire Council*

#### **MOTION:**

That the MAV request the Minister for Local Government to support the amendment of the Local Government Act 1989 to include a definition of 'charitable purposes' that clearly excludes the conduct of substantial commercial activities by charitable bodies.

#### **RATIONALE:**

The Local Government Act 1989 exempts land used exclusively for charitable purposes from the payment of Council rates. Even where land is used to carry on a business for profit, it is exempt from paying rates where such use is necessary for, or incidental to, a charitable purpose. The Act does not define the term 'charitable purposes'.

Bass Coast Shire Council has expressed concerns that there might be charitable organisations in the Shire that are currently exempt from paying rates, even though they might be conducting substantial commercial activities from their land.

In some instances, even though an organisation may be a charitable body, some of its activities can seem to be substantially commercial in nature. Where this happens, the charitable body can, and has argued that the proceeds of these activities go towards the funding of its charitable activities, and as such, land used for such purposes, is considered to be used for 'charitable purposes'.

The lack of a clear definition of 'charitable purposes' in the Act can give rise to legal disputes that can be costly and also create a perception in the community that not everyone is contributing equitably to the rate burden.

The lack of definition makes it difficult to separate those charitable organisations that carry out minor commercial activities to those that might conduct substantial commercial activities.

**10.4 MAV State Council Motion - Baw Baw Shire Council****Chief Executive Officer****For Decision****PURPOSE**

The Municipal Association of Victoria (MAV) State Council Meeting will be held on Friday, 25 October 2013. Members may submit Motions for consideration by the State Council, in writing to the MAV.

Latrobe City Council has been asked to support Baw Baw Shire Council in their Motion to the State Council Meeting.

**DECLARATION OF INTEREST**

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

**OFFICER COMMENTS**

Each year the MAV hold a state Council Meeting where member councils have the opportunity to submit motions for consideration.

Motions and letter of support were required by Friday, 27 September 2013. Due to the late request from Baw Baw Shire Council for a letter of support, Latrobe City Council was unable to submit a support letter in time for the business papers.

Latrobe City Council has the opportunity to provide a letter of support which can be taken along to the MAV State Council Meeting by the relevant council.

The motion that Latrobe City Council has been asked to support is as follows:

*‘That the MAV lobby on behalf of local government:*

- 1. That preferred model for management of waterways and drainage schemes is regionally based and with the necessary power, resources and resolve to discharge its responsibilities.*
- 2. That local government should not become the debt collector of the state government by asking it to collect Drainage Levies.’*

**Attachments**

1. Motion

**RECOMMENDATION**

**That the Mayor writes to Baw Baw Shire Council providing support to the MAV State Council Motion:**

*'That the MAV lobby on behalf of local government:*

- 1. That preferred model for management of waterways and drainage schemes is regionally based and with the necessary power, resources and resolve to discharge its responsibilities.*
- 2. That local government should not become the debt collector of the state government by asking it to collect Drainage Levies.'*

# **10.4**

## **MAV State Council Motion - Baw Baw Shire Council**

**1 Motion..... 57**



# FORM

## MAV State Council Meeting – 25 October 2013

To submit a motion for consideration by State Council on 25 October 2013, please complete this form and email to [State Council](#), **not later than 27 September 2013**. Please note, deadlines are strictly observed.

### MOTION

**MAV LOBBY ON BEHALF OF LOCAL GOVERNMENT IN RELATION TO PREFERRED MODEL FOR MANAGEMENT OF WATERWAYS AND DRAINAGE SCHEMES THAT DOES NOT REQUIRE IT TO COLLECT DRAINAGE LEVIES.**

*Submitted by: Baw Baw Shire Council\**

### MOTION:

That the MAV lobby on behalf of local government

1. That preferred model for management of waterways and drainage schemes is regionally based and with the necessary power, resources and resolve to discharge its responsibilities.
2. That local government should not become the debt collector of the state government by asking it to collect Drainage levies.

### RATIONALE:

Drainage assets are generally interconnected within the waterways and as such all responsible authorities need to manage their assets effectively, for the entire drainage system to properly function. In some instances, drainage catchments also span several local government areas which make it problematic for individual councils to manage their respective issues. This highlights the need for an overarching body (or bodies) to oversee the maintenance and restoration works of the waterways.

The Parliament Inquiry into Rural Drainage in Victoria (June 2013) advocates a beneficiary pays model where any agreement would be difficult to reach on the level of funding required to restore and maintain the drainage system. There is a concern on how local government can guarantee that those contributing to the problem also pay their fair share, either by levy or other mechanism. The collection of such a levy should not be dependent on a majority support and must not be the role of local government.

A preferred model would be that the final responsibility for the waterways rests with regional bodies (ie. Catchment Management Authorities) who have responsibility to implement and operate declared drainage schemes. As part of this model, those authorities should have the power and importantly resolve to propose fees under a tariff in designated declared drainage schemes.

As a result of poor maintenance levels in the past, it is unreasonable for affected communities to bear the responsibility for any significant cost to return the assets to an acceptable maintenance conditions. The state government should bear the lion's share of this cost.

As currently proposed by the Parliament Inquiry, it is considered inappropriate for local government to be required to mediate disputes between the private land owners. Local government's past experience indicates that mediating such disputes is non productive, time intensive, adversarial and frequently does not resolve the issue and is still likely to progress to a third party (ie. VCAT tribunal).

*\*Note: Motions must be submitted by **one** council but may be supported by other councils. The council submitting the motion will need to supply written confirmation from any council(s) listed as supporting the motion. All relevant background information in support of the motion should be included in the space provided for the rationale and not in attachments. **The motion and rationale should be no longer than one page.***



# PRESENTATION OF PETITIONS

**11. PRESENTATION OF PETITIONS**

Nil reports

# CHIEF EXECUTIVE OFFICER

**12. CHIEF EXECUTIVE OFFICER**

Nil reports

# ECONOMIC SUSTAINABILITY

**13. ECONOMIC SUSTAINABILITY**

Nil reports

# RECREATION CULTURE AND COMMUNITY INFRASTRUCTURE

**14. RECREATION CULTURE AND COMMUNITY INFRASTRUCTURE**

**14.1 Request for Council Approval for Proposed Landscaping Works to Improve Visibility of Signage at the Mcdonalds Restaurant Moe.**

**General Manager**

**Recreation, Culture &  
Community Infrastructure**

**For Decision**

**PURPOSE**

The purpose of this report is for Council to consider the proposed landscape plan for the Princes Freeway reserve at the western entrance to Latrobe City and adjacent to the McDonalds Restaurant, Moe.

**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**

**Latrobe City Council Plan 2013 – 2017**

- *Enhance the quality and sustainability of streetscapes and parks across the municipality through the provision and maintenance of the trees that are appropriate to their surroundings.*
- *Ensure public infrastructure is maintained in accordance with community aspirations.*

***Policy - Tree Work Notification Policy 11 POL-4***

The purpose of this policy is to detail processes for the notification of significant tree works prior to the works being undertaken. In the event that a tree is not dead, dying or dangerous, a decision on its removal must be deferred to Council.



**BACKGROUND**

The McDonalds Restaurant is located at 213 Lloyd Street Moe. The subject land is located within a road reserve under the ownership of Vic Roads. The site forms part of the western gateway to the municipality, visible by those travelling on the Princes Freeway from Melbourne.

The Western Gateway project was initiated via the Latrobe Valley Ministerial Taskforce and was co-funded by the Victorian Government and Latrobe City Council (\$100,000 each). This project was a city entry beautification project, with the rationale for the project being to ensure that the western entry into Latrobe City was significantly enhanced.

The landscaping treatment at this site welcomes the visitors and residents to Latrobe City and Moe, and complements the iconic Latrobe City signage that has been installed for this purpose.

Latrobe City Council has a service agreement with VicRoads that sets out the demarcation and service responsibilities in this area. The trees in this area are not specifically mentioned in the agreement, but Latrobe City Council has been maintaining the trees and grass on the site for some time due to its prominence. As the trees have matured they have started to restrict the visibility of the McDonalds sign.

In February 2007 McDonalds Australia Ltd lodged a planning permit application to alter the signage displayed at the Moe McDonalds restaurant.

The application proposed an increase to the overall height of the sign from 14 metres to 20 metres, and to alter the content displayed within the sign abutting the Princes Freeway interchange.

The planning permit application acknowledged the significance of this location as the entry to Latrobe City and the township of Moe. There were issues raised regarding the safety of road users within the application and also the vegetation around the site. As part of the planning application process, officers raised concerns in relation to the proposed alteration to signage, in particular the height and illumination of the signage. Illuminated signage is not encouraged as a feature of the city entry and raising the height of the sign would only provide a temporary solution until such time as the trees grew further.

In September 2007, landscaping plans were submitted to Council relating to the management of the vegetation on the site. McDonalds Australia Ltd proposed alternative landscaping treatment to provide better visibility to the existing sign and a less

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21 OCTOBER 2013 (CM400)**

restrictive view for merging traffic. This included removal of some poplar trees planted as gateway treatment to Latrobe City, and pruning of eucalypt trees in the middle of the reserve. McDonalds advised that they were willing to undertake the works on behalf of Council.

Following extensive consideration of the plans and consultation with Councillors, Vic Roads and McDonalds, a response to the proposal was provided to McDonalds Australia Ltd in a letter dated 7 March 2008 to permit:

1. Careful pruning (under pruning and canopy thinning) of the eucalypt trees in the middle of the reserve. The Eucalypt trees have been inspected by a Latrobe City Council arborist and an environmental planner and are not remnant or indigenous to the local area (*Eucalyptus Mannifera* -Brittle Gum). No planning permit would be required, but permission to do works would need to be sought from Vic Roads. Pruning would need to occur under the supervision of a Latrobe City Council arborist to ensure that it complies with Australian Standard AS4373-2007.
2. The relocation of the 13 young oak trees on the southern side of the road reserve to a suitable location at McDonalds cost. The new location would be determined through consultation with Latrobe City Council's landscape team.

It was demonstrated that Vic Roads were supportive of the works to the road reserve, with the following requirements:

1. An application made to undertake works on the Road Reserve.
2. A Memorandum of Consent submitted with Traffic Management Plan.
3. A Risk Assessment.

In subsequent letters dated 20 March 2008 and 9 May 2008, McDonalds advised that the conditions provided by Council were not complimentary to the long term operations of the restaurant and merely provided a short term solution. McDonalds Australia Ltd requested the opportunity to present their proposal to Councillors, which occurred at an Issues and Discussions Session on 29 September 2008.

Following this presentation McDonalds were advised the following:

1. Activities are limited to careful pruning of the eucalypt trees in the middle of the reserve and transplanting of 13 young oak trees to another location. Latrobe City Council does not support the removal of the avenue of poplar trees.

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2. Latrobe City Council requests that any works undertaken be completed by Council at the cost of McDonalds rather than under the supervision of a Council arborist.

At this time, McDonald's chose not to proceed with any works on the subject site.

On 22 February 2013 Council received correspondence from the operators of the McDonalds Restaurant Moe and Old Gipps town Heritage Park (attachment 1) requesting that Council consider a number of issues in relation to the visibility and signage of the restaurant and provided information regarding a recent meeting they had at the site with Councillors and the Asset Manager for McDonalds (Victoria, Tasmania and South Australia).

The current operators of the restaurant stated that they are currently renegotiating their lease for the site (for a period of 20 years) and after discussions are of the opinion that the vegetation growing on the road reserve adversely affects the visibility of the restaurant and its signage and therefore its overall business level. The current operators also raised concerns in relation to safety of freeway users and their customers at the site, discussing examples where patrons who wish to stop at the restaurant miss the entrance and either reverse on the freeway or simply park on the freeway's hard shoulder and walk back to the site.

The correspondence from Old Gipps town concurred with the issues raised by the franchisee. They advised that McDonalds Australia are the leasee of the site on the Old Gipps town reserve, and are their biggest source of income which would be adversely affected should this lease be discontinued.

After the correspondence was received on 22 February 2013 in relation to this issue, a meeting was arranged by the Chairperson of Old Gipps town and representatives of Vic Roads, Department of Sustainability and Environment (DSE), the Member for Narracan (Gary Blackwood), the former Manager of Old Gipps town and Council's Manager Infrastructure Operations. The notes of this meeting are attached (attachment 2).

As a result of the meeting held on 14 March 2013, Old Gipps town commissioned an independent consultants report in relation to the trees on the reserve adjacent to the freeway off ramp (attachment 3). The report does not provide sufficient consideration to the presentation of the City entrance and looks purely at significant vegetation removal to provide improved visibility to the McDonald's sign.

A further meeting with the relevant stakeholders was held on 1 May 2013 at Old Gipps town, Moe.

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Discussions were held at this meeting with VicRoads around possible signage on the Freeway as a solution to the visibility issues of the site. VicRoads presented some examples of potential draft signage at the meeting (attachment 4).

It was agreed at this meeting that a report would be presented to Council on this subject and the latest request for tree removal at the Moe town entrance reserve.

The idea of the VicRoads proposed signage being used as an alternative to tree removal at the reserve was also discussed at the Latrobe City and VicRoads Senior Management meeting held on Thursday, 2 May 2013. It was agreed at this meeting that an officer from Council would meet with the current operators of the restaurant to propose the draft freeway signage as an alternative to any tree or vegetation removals.

Council's Manager Infrastructure Operations met with the current operators of the restaurant on 10 May 2013 to discuss the draft freeway signage proposal from VicRoads. While the restaurant operators agreed that the proposed signage would improve promotion of the restaurant they still felt that the trees at the reserve adjacent to the freeway off ramp are the major inhibitor of visibility to the McDonald's site in Moe and wished to have the matter of the trees removal brought before Council.

McDonalds Australia Ltd formally requested at the meeting on 10 May 2013 that Council review the position with regard to landscaping treatment to improve sign visibility and Council considered these at its Ordinary meeting on June 3, 2013

Council at its Ordinary Meeting of 3 June 2013 resolved;

*1. That Council resolve to allow the removal of trees impacting visibility of the McDonalds Moe sign, with the following conditions:*

- No works/removal of trees are undertaken until such time that a detailed landscaping plan is provided to and approved by Council;*
- No works/removal of trees are undertaken until such time that a detailed landscaping plan is provided to and approved by the land owner, Vic Roads.*
- Upon approval of a landscaping plan, all works are undertaken by a suitably qualified arborist and landscape gardener.*
- That all costs associated in relation to above are borne by the franchisee of McDonalds Moe.*

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Further to this resolution Council officers met with representatives of McDonalds, the restaurant operators and their landscape architect on 31 July and 22 August 2013 to discuss the resolution and next steps in the process. After these discussions involving Council's arborists, landscape officer and with the approval of Vicroads, a plan for the site has been developed (Attachment 5) and is now presented for approval.

**ISSUES**

It is recognised that it has taken some years for the trees at the site to grow to an advanced stage and it is also considered that removing any trees would substantially alter the City entrance. Further to this, any replacement planting would take some time to establish.

Council have resolved to allow the removal of trees affecting signage visibility at the site subject to a landscape plan being presented to Council for consideration.

The proposed landscape master plan (attachment 5) for the site has been developed by a qualified landscape architect working on behalf of McDonalds in consultation with Council's Landscape Officer, Arborist and Team Leader Gardens/Landscaping. A representative of VicRoads has also been consulted as part of this drafting process and the proposed plan attached is considered acceptable by all parties concerned in the reserve.

A number of options and ideas for the reserve have been discussed as part of the design process and the attached plan proposes to remove all trees on the site apart from the row of Pin Oaks to the north of the road reserve and the large Eucalyptus located in the centre of the reserve. This Eucalyptus is proposed to be developed as a feature in the reserve with a garden bed to be constructed at the base of the tree to include an up light for night viewing.

Another proposed change included in the plan is moving the five flag poles currently located on the road reserve to the site's southern edge and these are to be newly painted with appropriate colours.

Council officers consulted in the development of the landscape master plan are comfortable that the proposed changes to the site will still form a suitable entrance to the City. The type of plants and trees outlined in the landscape master plan have been reviewed by appropriately qualified members of Council staff and deemed to be suitable for the site and will be able to be effectively maintained in the future.

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

Officers will oversee the delivery of the works to achieve the master plan to include an initial meeting onsite before works start to outline Council's desired outcomes for the site. While works are underway officers will monitor the site to ensure that the quality of works delivered are of an expected standard. A handover meeting will be convened at the end of works to ensure that the master plan has been completed to agreed levels.

To ensure that McDonalds adhere to the requirements and standards of Council, it is recommended that a formal agreement is signed, clearly outlining each party's obligations in respect to the removal of current vegetation and delivery of the landscape master plan.

In accordance with the Council resolution of 3 September 2013 McDonalds have agreed they will fund any and all works in relation to design, tree removals and landscape construction of the new plan at the site. Written email confirmation of this agreement has also been received recently from McDonalds (attachment 6).

### **FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management Plan 2011-2014.

The costs for any design, tree removal, traffic management and landscape construction works will be at the cost of the McDonalds Moe franchisee.

There is also potential risk for Council in respect to the high level of community interest likely to be associated with any works undertaken on this site.

To minimise the above risks, it is proposed that formal agreement is signed, clearly outlining each party's obligations in respect to the removal of current vegetation and delivery of the landscape master plan and the desired level of community engagement and information provision that will be required to be undertaken by McDonalds.

### **INTERNAL/EXTERNAL CONSULTATION**

Discussions have been conducted with representatives of VicRoads, the current franchisee of the McDonalds restaurant, Moe and a representative of McDonalds, Victoria.

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

Council has not engaged in consultation with the wider community in relation to this issue.

**OPTIONS**

1. Authorise the implementation of the proposed landscape plan for the triangular shaped median strip between the Princes Freeway and the Moe off ramp, Moe, adjacent to the McDonalds restaurant.
2. Not authorise the implementation of the proposed landscape plan for the triangular shaped median strip between the Princes Freeway and the Moe off ramp, Moe, adjacent to the McDonalds restaurant.
3. Alter and authorise the implementation of the proposed landscape plan for the triangular shaped median strip between the Princes Freeway and the Moe off ramp, Moe, adjacent to the McDonalds restaurant.

**CONCLUSION**

McDonalds Australia Ltd, Old Gippsdown and the current franchisee of the McDonalds restaurant in Moe were concerned, for a variety of reasons, about the lack of visibility of the illuminated McDonalds sign following the growth of trees in the triangular shaped median strip between the Princes Freeway and the Moe off ramp. This land is owned by VicRoads but is maintained by Council.

Subsequent to the Council resolution of 3 June 2013 Council approval is now sought for the proposed landscaping plan for the above site to include tree removals and new landscape construction.

**Attachments**

1. Moe McDonalds signage letter
2. Moe McDonalds signage
3. Moe McDonalds signage
4. Moe McDonalds signage
5. Moe McDonalds Landscape Plan
6. Moe McDonalds Funding email agreement

**RECOMMENDATION**

- 1. That Council approve the proposed landscape plan for the triangular shaped median strip between the Princes Freeway and the Moe off ramp, Moe adjacent to the McDonalds restaurant.**
- 2. That prior to any works commencing on the site, Council authorise the Chief Executive Officer to enter into a written agreement with McDonalds which include Council's expectations for quality of project delivery, required timeframes and levels of community engagement.**
- 3. That Council reaffirm its previous position that the costs for any design, tree removal, traffic management and landscape construction works will be at the cost of the McDonalds Moe franchisee.**
- 4. That all affected parties be informed of Council's decision.**



## **14.1**

### **Request for Council approval for proposed landscaping works to improve visibility of signage at the McDonalds restaurant Moe.**

<b>1</b>	<b>Moe McDonalds signage letter .....</b>	<b>85</b>
<b>2</b>	<b>Moe McDonalds signage.....</b>	<b>93</b>
<b>3</b>	<b>Moe McDonalds signage.....</b>	<b>95</b>
<b>4</b>	<b>Moe McDonalds signage.....</b>	<b>107</b>
<b>5</b>	<b>Moe McDonalds Landscape Plan .....</b>	<b>109</b>
<b>6</b>	<b>Moe McDonalds Funding email agreement .....</b>	<b>111</b>



McDonalds Moe  
McDonalds Morwell  
McDonalds Warragul

## Phil and Gael Wilson

Phone: 03 51 261 274 Fax: 03 51 261 288  
Phone: 03 51 346 555 Fax: 03 51 339 761  
Phone: 03 56 222 922 Fax: 03 56 222 920

Cr Sandy Kam, (Mayor)  
Cc: Councillors, C.E.O  
Latrobe City Council  
PO Box 264  
Morwell Vic 3840

19/02/13

Dear Cr Kam,

As per our recent conversation I am writing to you and other members of Council to raise a number of issues that have been an ongoing problem for my McDonalds Moe restaurant for many years. McDonalds is considering its options given the issues with visibility etc. This may result in the relocation of that restaurant from Moe to another location and the subsequent loss of work for my staff.  
(We employ 112 staff of which 90% are Moe residents)

It would normally be our intent to re-negotiate a further lease of 20 years on this site so that we would continue business operations. However concerns with poor visibility of this restaurant and the lack of suitable directional signage have been an ongoing and increasing problem. As the situation now stands I question the suitability of this location for another 20 years of business.

James Thompson (McDonalds Asset Manager Vic/Tas/SA) along with my wife Gael and myself met with Cr Gibbons, Cr Gibson and yourself recently at which time Mr Thompson stated that McDonalds has genuine concerns with visibility and signage issues for this restaurant and that the end of the current lease is in March 2014. He went on to say that we currently lease this site from the Gippsland Reserve Committee of Management and that the money that we pay for that lease is paid to the Gippsland Heritage Park.

The land that McDonalds Moe sits on was originally part of the "Old Gippsland" Heritage Park. In the early ninety's this land was split off and offered to McDonalds as a way of securing an income stream for the Heritage Park (as part of that negotiation a new entry building for Old Gippsland was also built at McDonalds expense)

Two of the key aspects that convinced McDonalds to take on this site for development were having easy access from the Highway and excellent visibility from the western approach. These factors are considered critical when developing restaurants that are aimed at accessing highway traffic and are located other than in the middle of a town. They were pivotal in McDonald's decision to locate a restaurant at this site.

When McDonalds was first established at the corner of the Princes Fwy and Lloyd St Moe, the approved signage was visible from several kilometres by approaching traffic. This gave traffic plenty of time to manoeuvre to the left hand lane and exit at the Moe exit.

As a result of trees shrubs etc. that have been planted in front of and on the traffic islands to the west of McDonalds Moe, the visibility of that signage for eastbound traffic has been significantly reduced since that time. The funding that resulted from McDonalds Leasing this site partially solved what was a funding "black hole" for Council at that time. In effect a benefit has been derived and the value offered has been withdrawn.

Vic Roads has previously informed me that the land involved is part of the highway reserve and is theirs; however responsibility for the design / planting configuration and management of the vegetation etc. that has given rise to the visibility issues is with the Latrobe City.

The issues of reduced visibility have had a significant negative effect on this restaurant for many years. Reduced visibility has eroded the sales performance that this site should have enjoyed over that period. We know from our experience with other McDonalds restaurants that stores located in similar situations with comparable passing trade and nearby populations on average take 35 to 40 % more revenue than this restaurant.

As competitors have opened on the highway we have experienced long term and compounding impact to our sales. I recognise that we operate in a free market where competition from other business is the "norm".

I seek nothing beyond the ability to compete on an equal basis with my competitors.

The opening of service centres at Longwarry and on the Pakenham by-pass originally impacted this business by 15 % on both occasions. Our ability to compete on an equal basis and grow our business back is severely curtailed when those outlets enjoy not only great visibility but also outstanding directional signage. Our sales have in recent times been further eroded by the establishment of Hungry Jacks in Moe. With little or no visibility, increased competition on the highway and in town and given that the greater portion of our sales are derived from passing trade, our ability to compete and grow back our business is severely impaired.

In seeking to rectify our visibility issues we are not asking for any "favours" but simply the reinstatement of what we originally leased at this location, enabling excellent visibility, which was the major reason McDonalds was located at this site. It seems to me that the consultants involved in the design & choice of vegetation that has been planted as part of this Latrobe City "Gateway Precinct" have achieved a screening effect as one would if landscaping your own back yard.

Arguably Councils would be reasonably expected to foster local business growth as the benefits of a strong and healthy business sector to the local community are many. It is only fair and reasonable that subsequent Councils should not undermine or through their actions materially change the key benefits of a business arrangement made by previous Council's, whether unintentionally or otherwise. Councils should consider the impact of their actions and be willing to address and rectify problems caused by their actions should unintended consequences occur.

My previous contacts with the Latrobe City have not yielded any practical solution to my problems. The responses that we received did not materially address our problems.

In September 2007 we attended a working and issues meeting. At which we presented to Council a solution / design that had been put together by our landscape consultant. That consultant report presented our suggested solutions to the visibility issues. I presented my case and answered questions that arose at that time.

To remove any impediment to action, I acknowledged that there may be some difficulty in the nature of what I was asking. That there may be some question as to why Council should they be spending ratepayer's money in an effect to fix problems that had arisen from earlier expenditure, as it may be seen as a waste of money.

At this meeting I offered to fund those works at my own expense.

(Despite my belief that it should be rectified at the Councils expense.)

It was stated that I would pay for the works as per our presentation. I went on to say that should our design not be acceptable I would pay for a design acceptable to Council.

Provided it was within our budget and that design restored visibility as it was previously.

After eventually receiving a response from Council, in which our problem was not materially addressed. (Your letter dated 7<sup>th</sup> March 2008: ref 246232 PQ:CJ)

We again contacted the Council, (Our letter dated 20/03/2008 author Jane Pendlbury-Assett Manager McDonalds) informing Council that what was offered did not materially make any difference to our visibility issue and that we wished to discuss the matter further.

We made further contact by telephone (Jane Pendlbury to Carol Jeffs) as a follow up to our letter dated 20/03/2008. This did not yield any further discussion or change in offer as we were told that this is all that the Council was prepared to offer.

We finally received written confirmation on 16<sup>th</sup> June 2009 in which it was confirmed that our proposal was not acceptable and that the offer made by the previous Council was all that the new Council was prepared to offer. (Your letter dated 16<sup>th</sup> June 2009 your ref DW:415629).

In 2010, after becoming aware of the issues that McDonalds Moe faced in terms of visibility and signage, Mr Michael Fozard, in his capacity Manager of Old Gipps town and on behalf of the Board of Management wrote to Council in an effort to obtain a resolution to our problems. After some discussion he received written confirmation that all that was on offer was as previously outlined. (Letter dated 30<sup>th</sup> November 2011 ref: 501702 PB:JOK)

It is not our preferred option to relocate this restaurant, if we can achieve a suitable outcome then we will regain the confidence to be able to undertake a new 20 year lease (subject to agreeing to suitable terms between the parties) The reinvestment that would be due for a restaurant of Moe's age to bring it up to current McDonald's facility expectation would be undertaken. However should our concerns not be rectified and given that we typically take a "20 year view" of our business, the decision to renegotiate our lease or relocate would be primarily based on the costs v's benefits of moving this restaurant.

If we move, the current workforce may not be able to work at the new location (there is a low probability that we would relocate into Moe CBD, a highway location closer to Melbourne is more likely as in the past we have derived almost 75% of our business from the Highway) This would result in a loss of 100 jobs available to residents of Moe and our current payroll (\$1 million+) that those employees currently spend in Moe.

Other concerns centre not just on the fact that the interests of my business have been negatively affected by the planting etc that has occurred since the store was established, but also as a long-time supporter of road safety initiatives that unsafe traffic conditions have been created. Visibility and effective signage is of great benefit and interest to travellers but also is an important safety measure as it gives a reason to stop and rest. Travellers / Tourists need to be given warning of an exit that they may choose to break their journey.

On many occasions I have noticed that vehicles slow as they notice McDonalds, Too late to safely manoeuvre to the exit. They look for a direct entry into McDonalds, sometimes parking on the side of the road and walking around the fence or trying to reverse back to the Moe exit in an attempt to reach McDonalds. Possibly even of greater concern drivers then may decide to "push on" and try and get a bit further down the road without taking a break.

I believe that a major reason for this, in addition to the lack of visibility of our signage is that travellers mistakenly believe that they can gain direct access to McDonalds. As McDonalds Moe is located at the start of a freeway it is the last opportunity to stop for at least 25 minutes. McDonalds restrooms provides well lit and secure environment 24 hours a day of which travellers may choose to take advantage.

The placement of some appropriate signage informing travellers wishing to go to McDonalds to take the Moe exit would fix this problem.

If there is to be a solution the issues we have raised the minimum that would satisfy our concerns would involve the removal, re-configuration of the elements with in that area that cause problems with our visibility.

I would also like the help of Council to gain approval for suitable directional signage from VIC Roads as this will help future proof visibility issues, help traffic flow and the safety concerns that I have. To rectify the concerns I have, I believe that both the visibility and signage issues need to be addressed. I do not see that signage alone could be a fix for the issues identified.

As things stand at the moment we will be moving forward on our investigation for alternate restaurant sites and the cost / benefits that would involve. As you may appreciate business needs certainty for forward planning and confidence in making timely decisions. I request that this matter be dealt with as quickly as possible, should Council decide that they are unable to meet my need for visibility etc. then that will enable us to make alternate plans with some certainty in time for the lease expiry.

The final points that I would like to make is that I reside in the Latrobe Valley with my family. We have been supporters of many charities and events around the Latrobe Valley for many years, both through our business and personally. Some notable examples: Fundraising efforts for Local Disasters, We were involved in the establishment of Rotary Centenary House at the Latrobe Regional Hospital, My wife Gael serves on the board of Barrier Breakers (Mental Health Advocacy) and I serve on the Board of Management for Ronald McDonald House Monash, just to mention a few.

I operate this business as my own. That is to say it is a franchise and I pay a fee to McDonalds as such. However the profit or loss that this store generates and the cost involved with reinvestment or improvements is mine. So when I talk about any offer to pay for remedial works or the costs or long term damage taken by this business. I need to make it clear that those monies come out of my pocket, not some "large multinational with deep pockets" So I do not make offers lightly, and would hope that it be seen as a measure of my desire as resident to operate my business successfully and provide opportunity to not just my family but the community in general.

It is my hope that a common sense outcome can be achieved in this matter. It is not our preferred option to relocate this restaurant, however if we cannot resolve these issues satisfactorily then it seems we will be left with little choice.

I thank you for your time in considering my concerns.

Yours truly,

Phil Wilson  
Licensee  
Mob: 0417 533 771



20<sup>th</sup> February 2012

Latrobe City Council  
Mayor – Sandy Cam

Dear Sandy,

SUBJECT – McDonald's Moe

I am writing as a follow up to a recent meeting that took place between Phil and Gael Wilson (franchisees of McDonald's Restaurant Moe) and Latrobe City councillors.

The issue of visibility on the east bound approach to McDonald's Restaurant Moe is now urgent. The franchisees have indicated to us, that if a suitable solution is not agreed to, McDonald's will look at alternative locations for the future operation of the McDonald's Restaurant. If this relocation were to occur, this would have a dire impact on Old Gippstown as we rely on the annual lease revenue to support the Park (see background information below). The franchisees have stated that they are willing to spend money on improving the entry into Moe (Latrobe City's gateway) if an arrangement can be reached on visibility.

It may be appropriate to give you some background on the operation from Old Gippstown's point of view.

1. There is a lease arrangement between Gippstown Reserve Board of Management and McDonald's head office in Sydney and is the lease is due for renewal in March 2014. The lease amount is paid directly to Old Gippstown and has over the years been a significant revenue generator. If Old Gippstown were to lose the revenue generated by the McDonald's lease, the consequences would negatively impact the future financial viability of the Park.

Lloyd Street, Moe, Victoria, 3825 (PO Box 337, Moe, 3825) Ph: (03) 5127 3082 Fax: (03) 5127 8709  
ABN No. 99 724 971 481 Email: [enquiries@gippslandheritagepark.com.au](mailto:enquiries@gippslandheritagepark.com.au)

2. As you may be aware we are the only heritage park in the State of Victoria that does not receive any significant or recurrent financial support. We are also the only Park that has direct responsibility to the State Government; all other Parks are under the umbrella of their local councils. Revenue generation for Old Gipps town is always an issue.
3. Signage / Visibility - Back in March 2010 we sent a letter to council, (refer attachment 1) seeking discussions on the issue of highway traffic being able to see the McDonald's Restaurant and Old Gipps town facilities. A meeting took place with Geoff Hill and the council arborist. At the conclusion of this meeting it was indicated that no trees could be removed and only some trimming of trees would be permitted. This was unsatisfactory as it did not resolve the issue of visibility to the travelling public. VicRoads are not receptive to the installation of further highway signage (west of the facilities) indicating that McDonald's or Old Gipps town are coming up.
4. An alternative signage / visibility solution was also looked at. This required the raising of the existing McDonald's (golden arches) sign to a higher level to improve visibility. The alternative solution was not the most practical but again it was rejected by council. The difficulty that we now have to confront is the continuance of the McDonald's operation after March 2014.

We can understand the problem that McDonald's have and believe the issue can be easily resolved if some flexibility is given to the elimination of a number of trees in the reserve. In 2010, it was established in discussions that the reserve is the responsibility of council and not VicRoads.

Our concerns have not changed since our last letter (2010) to council (please see attached).

- a. Revenue - McDonald's are a vital part of our revenue and this should increase in the future.
- b. Employment - McDonald's employ over 100 locals in the operation. It is critical that we do not lose a further employer in this region. Old Gipps town runs two 'Work for the Dole' programs and are fully aware of the lack of employment in the region.



- c. Safety – It has been observed on numerous occasions cars travelling east bound on the Princes Highway (at 110kph), suddenly braking as they realise they have passed the McDonald’s outlet. On some occasions, cars then reverse back to the Princes Highway ‘on ramp’. The reversing manoeuvre can be extremely dangerous to any motorists using the on ramp.
- d. Landmark – The McDonald’s sign is also used as a landmark to get into Moe or to access the Old Gippsdown facility. People look out for the McDonald’s sign.

It is therefore critical that this situation be rectified to ensure McDonald’s continue to operate from its current location. This matter needs to be dealt with as a matter of urgency; therefore I request a further meeting with all parties present.

If you require any further detail on this matter, please contact me at Old Gippsdown.

Kind Regards,



Michael Fozard  
Manager

## OLD GIPPSTOWN

### Highway Signage & Tree Removal

## Meeting Notes

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Date 14 March 2013

Time 13.00 to 14.00

### Attendees:

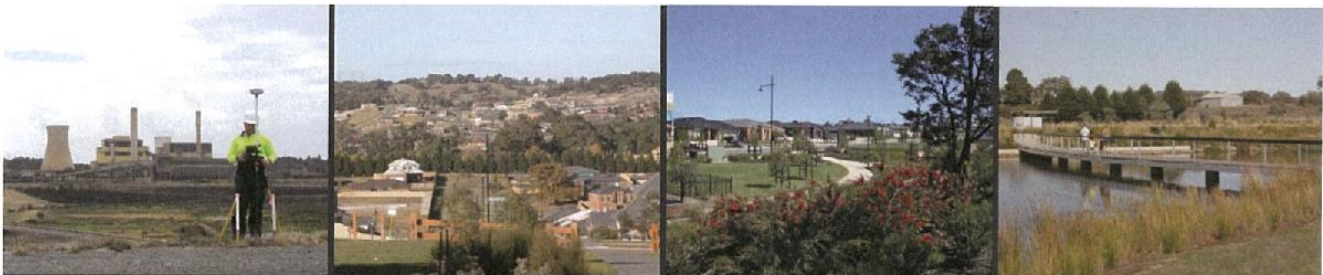
Gary Blackwood – Member for Narracan (Chair), Sebastian Motta – VicRoads, Jody O’Kane – Latrobe City, Rob Stewart – Department of Sustainability & Environment (DSE), Michael Fozzard – Manager Old Gippsdown, Fiona Xuereb – Chairperson Gippsdown Reserve Committee of Management

---

- Gary welcomed the group with a brief introduction as to the purpose of the meeting including:
  - Removal of trees on VicRoads reserve to enable east bound traffic to have unobscured view of McDonald’s/Old Gippsdown signage
  - Reinstate Old Gippsdown signage on Princes Highway (east and west bound)
  - Renegotiating lease and securing current tenant - McDonald’s
- Latrobe City and VicRoads outlined the ownership/responsibility of the reserve. VicRoads own the reserve, where Latrobe City are responsible for the maintenance
- Michael spoke about the history of the lease arrangement between Old Gippsdown and McDonald’s including:
  - a. Early 1990s – McDonald’s applied for planning permit with the relevant local government authority to establish a McDonald’s Restaurant at the entrance to Moe. This application was subsequently approved
  - b. McDonald’s review of the proposed site initially ranked as a ‘Class A’ for visibility
  - c. McDonald’s entered into a lease arrangement with the Gippsdown Reserve Committee of Management in approximately 1992. A 21 year lease was entered into (subject to CPI increases only). Current lease revenue approximately \$39,000 pa.
  - d. Lease is due for renewal in March 2014.
  - e. Plans to renegotiate terms of lease are imminent
  - f. Latest McDonald’s review of current site has been downgraded to ‘Class C’
- Fiona added that Old Gippsdown is the only heritage park in the state of Victoria that does not receive any recurrent funding. The McDonald’s lease is the only regular revenue Old Gippsdown receives.
- Michael spoke further about past negotiations held between Latrobe City and VicRoads in relation to removal of trees and the reinstallation of highway signage. Both rounds of negotiations previously rejected.

- McDonald's have indicated to Old Gipps town that if the issue of visibility is not settled, they are forced to look at options which include relocation further west
- Relocation of the McDonald's franchise would be disastrous for a number of reasons including:
  - a. Loss of more than 100 local jobs – McDonald's employees
  - b. Loss of only regular revenue source for Old Gipps town
  - c. Old Gipps town's future at risk
  - d. Loss of more than 10 Old Gipps town jobs
  - e. Loss of more than 60 volunteers – including work for the dole, corrections and general volunteers. Social impact also needs to be considered
- Safety is a major concern. Vehicles travelling in an easterly direction are not aware of the McDonald's restaurant location and subsequently drive past the outlet. Once people drive past, they either stop their vehicle on the side of the highway and walk back to the restaurant or alternatively, and significantly more dangerous, drivers will reverse their vehicles onto the on-ramp (opposite direction to oncoming traffic) to get to McDonald's
- Sebastian will investigate highway signage options with VicRoads staff (including combined signage for Old Gipps town-McDonald's). **Action: Sebastian to work directly with Fiona**
- Jody stated that copies of the arbourist report are available. A small number of trees may be removed but this may still not give the desired outcome
- Latrobe City are keen to retain the current amenity
- Fiona suggested an alternative to tree removal, to possibly relocated the McDonald's sign into the reserve. McDonald's could bear the cost of the relocation. As VicRoads own the reserve, Sebastian would need to investigate this option as a possibility. **Action: Sebastian to investigate and work with Fiona**
- Gary suggested that alternative options for vegetation be investigated and identify trees for removal
- It was suggested to independently review the reserve. The review will focus on two aspects including:
  - a. best aspect (line of sight) for the removal of trees
  - b. safety concerns
- Old Gipps town to arrange independent review and forward review findings to Latrobe City. **Action: Michael Fozzard to source funding and initiate the review immediately. Once review complete, Michael to forward review findings to Jody, Gary, Sebastian, Fiona and Rob.**
- Fiona alerted the group as to the critical nature and securing a quick decision, as there is little time left to negotiate with McDonalds.
- Jody will present report (including Old Gipps town's independent review) to Council. As it may take time to collate the information necessary to present to Council, a timeframe of six weeks was agreed by the group.

Next meeting Thursday 25 April 2013 at 13.00 – Old Gipps town Administration Building



SMEC Urban Ref: 30041408E.00

**Princes Hwy (East Bound) Off Ramp and On Ramp at Moe  
Prepared for Gippsland Heritage Park**


Report date: 11 April 2013



urban design | planning | engineering | surveying | landscape architecture | project management

Project Name:	Report for Princes Hwy (East Bound) Off Ramp at Moe
Project Number:	30041408E.00
Report for:	Gippsland Heritage Park

## PREPARATION, REVIEW AND AUTHORISATION

Revision #	Date	Prepared by	Reviewed by	Approved for Issue by
0	11/4/2013	Luke Bryant	Stephen Howe	

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## SMEC COMPANY DETAILS

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## 1 INTRODUCTION

---

This Report details which trees are required to be removed so that the McDonalds Restaurant advertising sign located adjacent to the Princes Highway Moe exit off ramp can be clearly seen by motorists on the highway approaching from the west and also makes comments in regards to improved road safety for the off ramp and on ramp.

This report is intended to be used as an independent opinion in regards to removing vegetation and road safety at the site. The report has been compiled from a site inspection and personal knowledge of the site by staff that use this off ramp regularly.

## 2 BACKGROUND

---

There are two businesses located just after the Princes Highway east bound off ramp to Moe on the Moe-Glengarry Road. One business is McDonalds Restaurant and the other is Gippsland Heritage Park.

At present, there are a number of trees that block the sight of the McDonalds Restaurant advertising sign from motorists approaching the off ramp from the west. The McDonalds Restaurant sign is not visible to motorists until they have passed the off ramp. This results in motorists passing the off ramp and continuing along the Princes Highway.

The trees also block the early sighting of entering vehicles for motorists which are already on the Princes Highway.

## 3 ROAD SAFETY COMMENTS

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In terms of road safety, there is a risk that motorists wishing to take a break may continue to the next available option. The next conveniently available option (without turning around) clearly visible from the Princes Highway would be Traralgon, which is approximately 32km away. This may put more pressure on a tired driver to drive further or become frustrated because they have missed the turn off.

Although a motorist will be aware of a rest area (see Figure 1) ahead, a motorist may still not decide whether to make the exit from Princes Highway until they visually see the specific commercial business advertising. If the advertisement from the business is not viewed or viewed late, a motorist may make a rash driving decision (late lane change) if they are not sure if they should take the exit.

**Figure 1: Rest area advertising signs west of the Princes Highway Moe Exit**



In terms of the other nearby on ramp, the trees also block the early sighting of entering vehicles for motorists which are already on the Princes Highway (see Figure 2). This is not seen as a high risk item as there is a generous on ramp / merge length. However, the early recognition of entering vehicles would improve safety by allowing motorists already on the Princes Highway to change lanes earlier and let in entering traffic safely.

**Figure 2: Trees blocking early sight lines of entering vehicles to the Princes Highway**





## 4 TREE REMOVAL / SIGHT LINE IMPROVEMENTS

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The triangular area between the Princes Highway off ramp, Princes Highway on ramp and the Princes Highway itself contains many trees. There appears to be three particular species of trees, Pin Oaks, Poplars and Gums (native).

Several of these trees block the sight line of motorists to the McDonalds Restaurant advertising sign approaching the off ramp. These trees have been shown in the map in Appendix A.

Although some trees are small in size now, it is considered appropriate to assess the trees in terms of their height and diameter when fully grown and analyse their potential to further impact on sight lines in the future.

The sight line distance used for assessment is from 0m to 300m west of the off ramp exit for vehicles in the left lane. 300m distance relates to approximately 10 seconds travel time at 110km/h (speed limit), which is considered appropriate to make a timely decision to take the exit.

A total of 42 trees (2 large Gums, 2 medium Gums, 19 medium to large Poplars and 19 small Pin Oaks) would be required to be removed to improve the sight line to the McDonalds sign for motorists on the Princes Highway east bound approaching the off ramp to Moe.

An additional 7 trees (5 medium to large Poplars and 2 small Pin Oaks) could be removed to improve sight lines and allow early recognition of entering vehicles to the Princes Highway for motorists already on the Princes Highway.

An alternative option to removing trees is to relocate the existing McDonald's sign. There does not appear to be a suitable location to relocate the sign.

Note that native vegetation removal would likely require a permit or offsets. This requires further assessment by others.

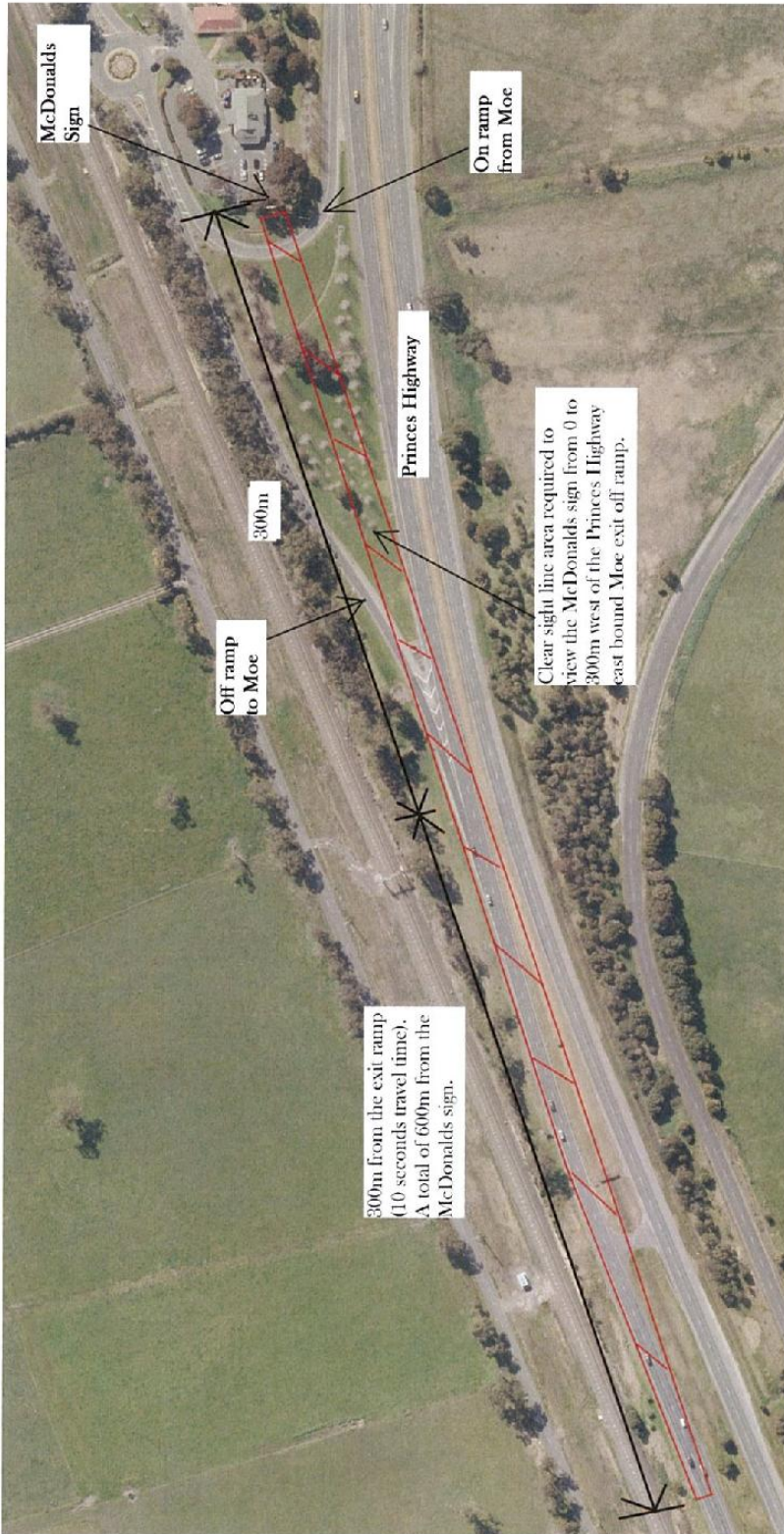
Photos of the site have been attached in Appendix B.

## 5 APPENDICES

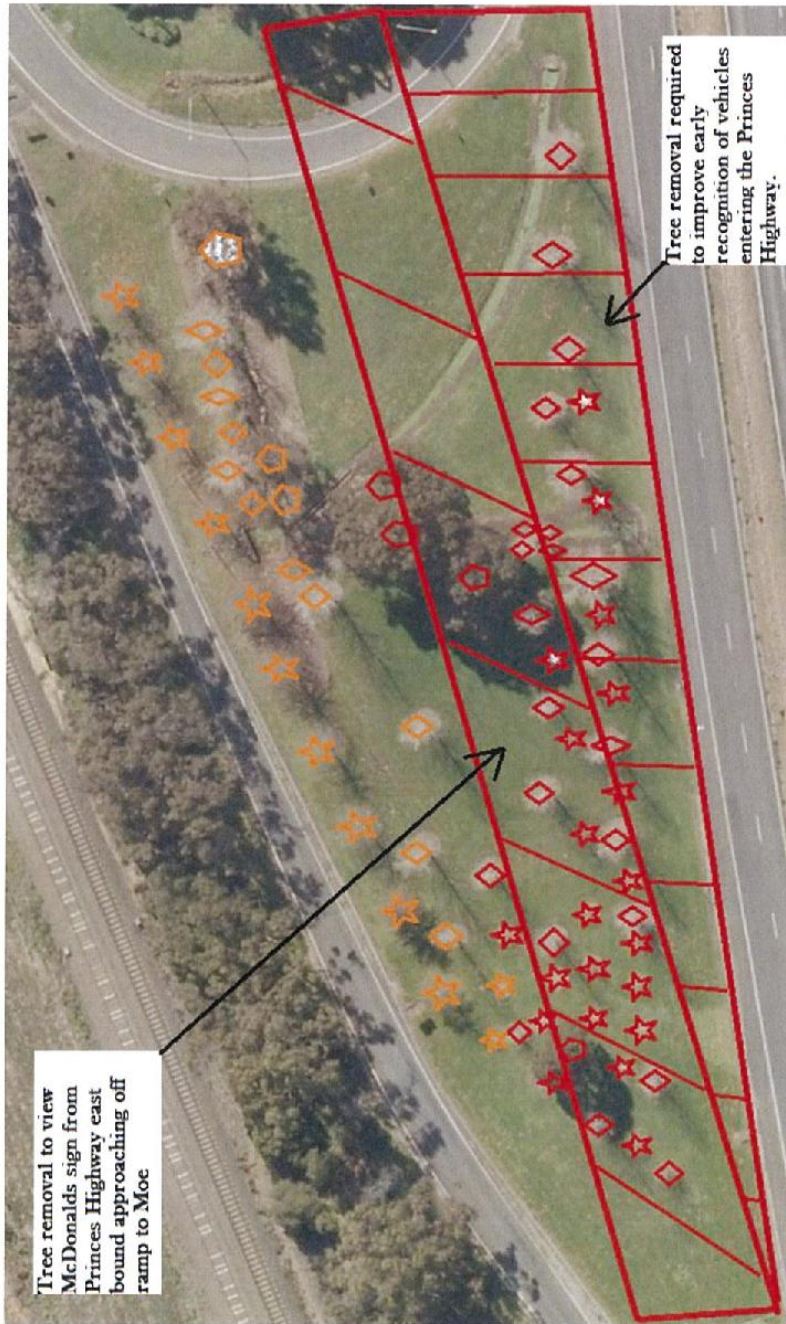
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**5.1 Appendix A – Maps indicating tree removals required**

**Map A1 – General location**



Map A2 – Specific trees required for removal



Gippsland Heritage Park – Princes Highway east bound Moe off ramp and on ramp

## 5.2 Appendix B - Photos

**Photo B1: Looking east from area of trees towards McDonald's sign.**



**Photo B2: Looking east from exit ramp towards the McDonald's sign.**



Clippisland Heritage Park – Princes Highway east bound Moe off ramp and on ramp

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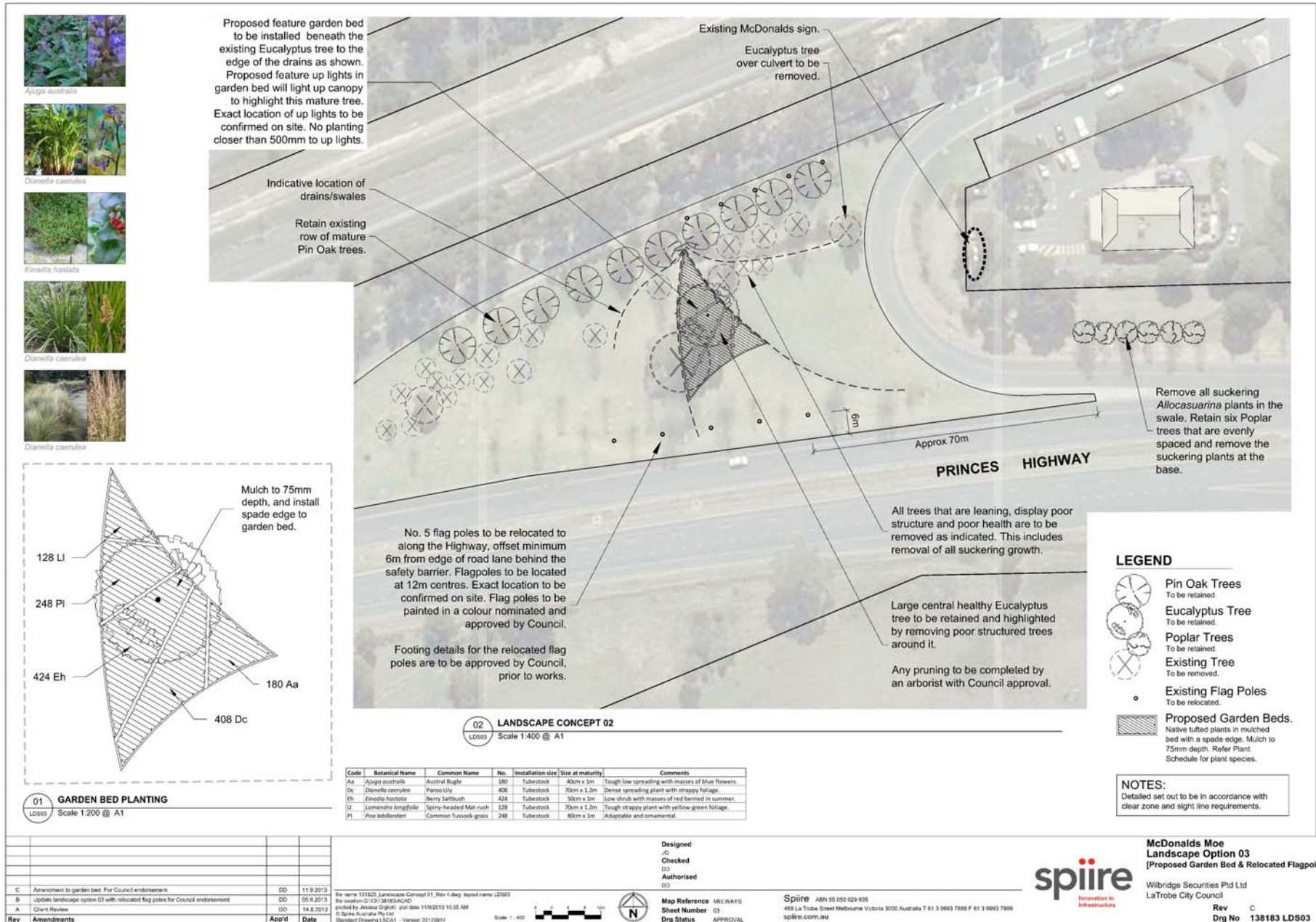
**Photo B3: Looking east at the McDonald's sign**



**Photo B4: Looking south east from the area of trees towards the on ramp.**









Hi Jody,

Thanks for your email. I can confirm that McDonald's will fund any and all removal and construction works in relation to the project in accordance with the Design Plan agreed between the parties at our recent meeting at your office and subsequently forwarded to you by Jessica.

We look forward to a positive outcome on 21st October.

Regards  
James

Sent from my iPhone

On 30/09/2013, at 4:10 PM, "Jody O'Kane" <[Jody.O'Kane@latrobe.vic.gov.au](mailto:Jody.O'Kane@latrobe.vic.gov.au)> wrote:

Good afternoon James

Can you please advise by return email if, as has already been verbally discussed, that McDonalds will fund any and all removal and construction works in relation to the project? It is agreed that any required design works for the projects have been provided by McDonalds.

As discussed, Council agrees to maintain the site after all works have been completed on an ongoing basis.

If you could reply as soon as is convenient that would be most helpful. I now wish to have this report included in the draft agenda for the 21 October meeting 2013.

Regards

Jody.

**Jody O'Kane**

**Manager Infrastructure Operations  
Latrobe City Council**

---

[mailto: Jody.O'Kane@latrobe.vic.gov.au](mailto:Jody.O'Kane@latrobe.vic.gov.au)

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<image001.jpg>

<http://www.latrobe.vic.gov.au/>

**14.2 Review of Asset Management Policy and Asset Management Strategy**

**General Manager**

**Recreation, Culture &  
Community Infrastructure**

**For Decision**

**PURPOSE**

The purpose of this report is to present the revised Asset Management Policy 13 POL-4 to Council for consideration and request the release of the draft Asset Management Strategy 2014-2018 for community feedback.

**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***

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 Council Plan 2013 - 2017**

Job creation and economic sustainability:

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

Appropriate, affordable and sustainable facilities, services and recreation:

- Develop and maintain community infrastructure that meets the needs of our community;
- Improve and link bicycle paths, footpaths and rail trail networks to encourage physical activity and promote liveability.

Efficient, Effective & Accountable Governance:

- Continuously improve financial management and reporting;
- Ensure Latrobe City Council's infrastructure and assets are maintained and managed sustainably.

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

Advocacy for & consultation with our community;

- Work with relevant agencies to improve the management and maintenance of all roads and roadsides in Latrobe City.

Planning for the future:

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

*Legislation*

Local Government Act 1989

### **BACKGROUND**

Council is the steward of a large portfolio of assets and these assets represent a vast investment built up over many generations. These assets underpin community access to services and enhance the well-being of the Latrobe City community.

The purpose of the policy is to guide asset management best practice and provide the direction and structure for the Asset Management Strategy. The Asset Management Policy assists in preserving and managing Council and community assets to ensure optimum utilisation while minimising the whole of life cost to the community. A review of the Asset Management Policy has been completed to ensure the current policy aligns with the National Asset Management Framework (NAMF).

The need for this Asset Management Strategy has been identified as a result of the development of Council's Asset Management Policy and a review of Council's asset management practice through an external audit process. The draft Asset Management Strategy recommends improvements to asset management practices within Latrobe City and outlines the Asset Management Plans to be delivered over the life of the strategy.

### **ISSUES**

A National Asset Management Assessment Framework audit conducted under the auspices of the Municipal Association of Victoria STEP Program has provided a list of improvements that have been included in the revision of the Asset Management Policy and as recommendations in the Asset Management Strategy. This program recommends that community be consulted on matters relating to asset management.

### **FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management Plan 2011-2014.

The revised Asset Management Policy and draft Asset Management Strategy have been prepared to assist Council in improving risk management of Council assets. These documents outline principles and

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

strategies by which risk to infrastructure assets through asset failure will be addressed in the preparation of Asset Management Plans.

There are no direct financial implications arising from the Asset Management Policy.

The draft Asset Management Strategy outlines operating expenses for the Asset Strategy team within Council and the additional costs associated with the delivery of the Asset Management Strategy and the Asset Management Plans. The cost estimate for the delivery of the Asset Management Strategy 2014-2018 is \$2.9 million and includes staff, software, MAV Step Program, system upgrades and funds associated with undertaking the asset management plans.

### **INTERNAL/EXTERNAL CONSULTATION**

#### *Engagement Method Used:*

The revised Asset Management Policy and draft Asset Management Strategy have been formulated with the assistance of an internal working group known as the Asset Management Working Group. This group consists of representatives from Infrastructure Operations, Finance, Infrastructure Development, Information Technology and Risk and Compliance sections within Latrobe City Council.

The revised Asset Management Policy has been presented to Council's Audit Committee and they have recommended its adoption.

It is proposed that the draft Asset Management Strategy be distributed for public comment for a period of four (5) weeks from Tuesday, 22 October 2013 – Friday 29 November 2013. This is consistent with Latrobe City Council's Community Engagement Plan 2010-2014 and the following objective within this plan applies to this report:

#### *2. Community Role in Policy Development, Planning and Project Delivery*

In accordance with the engagement plan, ensure that all policies, strategies, plans and projects that will impact on the community are made available for public viewing and comment for a minimum of a four week period. Consideration should be given to the timing and length of this period to account for factors that impact on peoples' ability to respond eg school holidays, complexity of subject matter.

It is also proposed that the consultation process be promoted via the following channels:

- Advertising in Council's Noticeboard in the Latrobe Valley Express
- Placement on the Latrobe City Council website
- Promotion through the Community Sounding Board

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

Any submissions will be presented to Council for consideration at its first Ordinary Council meeting in 2014.

The draft Asset Management Strategy has been reviewed externally by an industry expert, Mr Ashay Prabhu, representing the Australian Centre for Excellence in Asset Management P/L.

### **OPTIONS**

Council has the following options available:

*Asset Management Policy:*

1. Adopt the Asset Management Policy;
2. Amend and adopt the Asset Management Policy;
3. Not adopt the Asset Management Policy.

*Asset Management Strategy:*

1. Release the draft Asset Management Strategy for public consultation;
2. Amend and release the draft Asset Management Strategy for public consultation;
3. Not release the draft Asset Management Strategy for public consultation.

### **CONCLUSION**

The Asset Management Policy has been revised to:

- guide Council in best practice asset management;
- provide the structure for the draft Asset Management Strategy 2014-2018;
- align the asset management activities of Council with the National Asset Management Framework.

The draft Asset Management Strategy 2014-2018 has been compiled to:

- recommend improvements to asset management practices;
- guide the delivery of Asset Management Plans.

These documents have been prepared to ensure that Council continues to meet its financial and service obligations in the ongoing management and maintenance of Council's assets.

#### **Attachments**

1. Revised Asset Management Policy
2. Draft Asset Management Strategy 2014-2018

**RECOMMENDATION**

- 1. That Council adopts the revised Asset Management Policy 13 POL-4; and**
- 2. That Council approves the release of the draft Asset Management Strategy 2014-2018 for community consultation for a period of four (5) weeks from Tuesday, 22 October 2013 – Friday 29 November 2013; and**
- 3. That a further report be presented to Council at the first Ordinary Meeting in 2014 on the Asset Management Strategy to consider all submissions received.**

## **14.2**

### **Review of Asset Management Policy and Asset Management Strategy**

- 1 Revised Asset Management Policy..... 121**
- 2 Draft Asset Management Strategy 2014-2018 ..... 125**



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Document Name: **Asset Management Policy**

**13 POL-XX**  
Draft Policy for review

Adopted by Council: **XX XX 2013**

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### Policy Goals

To preserve and manage Council and community assets to ensure optimum utilisation while minimising the whole-of-life cost to the community.

Stewardship of infrastructure/assets is a core council function. Sound asset management is necessary to enable Council to meet its responsibilities to:

- Provide services to current and future generations;
- Provide and maintain community infrastructure within the City;
- Encourage and support the economic and social development of the City.

### Relationship to Latrobe 2026 & Council Plan:

This policy relates to the following Strategic Objectives contained within Latrobe 2026: The Community Vision for Latrobe Valley and the Council Plan:-

#### Latrobe 2026:

##### Built environment

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.

##### Council Plan:

##### Strategic Directions

Job creation and economic sustainability:

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

Appropriate, affordable and sustainable facilities, services and recreation:

- 1.2.2 Develop and maintain community infrastructure that meets the needs of our community;
- 1.2.5 Improve and link bicycle paths, footpaths and rail trail networks to encourage physical activity and promote liveability.

Efficient, Effective & Accountable Governance:

- 1.3.7 Continuously improve financial management and reporting;
- 1.3.9 Ensure Latrobe City Council's infrastructure and assets are maintained and managed sustainably.

Advocacy for & consultation with our community;

- 1.4.5 Work with relevant agencies to improve the management and maintenance of all roads and roadsides in Latrobe City.

Planning for the future:

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

The purpose of this policy is to guide asset management best practice and provide the direction and structure for the Asset Management Strategy (AMS).

Page 1 of 4

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## Policy Implementation:

### Governance and Management

- Ensure the development and implementation of an Asset Management Strategy that outlines the current status of asset management and a plan to continuously improve asset management;
- Ensure the development and implementation Asset Management Plans with clear links to LTFFP;
- Ensure roles and responsibilities for service levels, asset provision, maintenance and planning are clearly defined and understood;
- Continually improve Council's maintenance and renewal practices and adopting best practice wherever possible;
- Ensure all development and capital investment decisions are subject to whole of life cost analysis based on available Asset Management Plans and the *Capital Works Policy*.
- Rationalise under-utilised assets that have no long term strategic benefit;
- Dispose of assets consistent with *Sale of Council Owned Property Policy* and other relevant policies.

### Finance

- Integrate asset management, long term financial and strategic resource planning;
- Ensuring that the asset base is not increased without considering the impact on Council's ability to fund maintenance, operating costs, resources and renewal of the asset;
- Adequately identify and plan for future maintenance costs of assets and infrastructure to reduce the asset renewal gap in allocated funding;
- Improve integration and alignment with Council's financial systems and classify operational, maintenance, renewal, upgrade and new expenditure;
- **Ensure that Asset Accounting Policy aligns with asset management practices and reflect actual practice.**

### Levels of Service

- Ensure current community and technical levels of service are documented for each of Council's services that rely upon or generate assets;
- Ensure that all plans and strategies of Council are considered in the delivery of service;
- Ensure that community is consulted so that Council can consider the service delivery needs of the community;
- Consider alternate levels of service that balance with available resources and long term financial planning.

### Data and Systems

- Continue utilising technology and expand its use within Latrobe City;
- Develop Business process documentation for Asset Management;
- Participate in asset management best practice and benchmarking programs.

### Skills and Processes

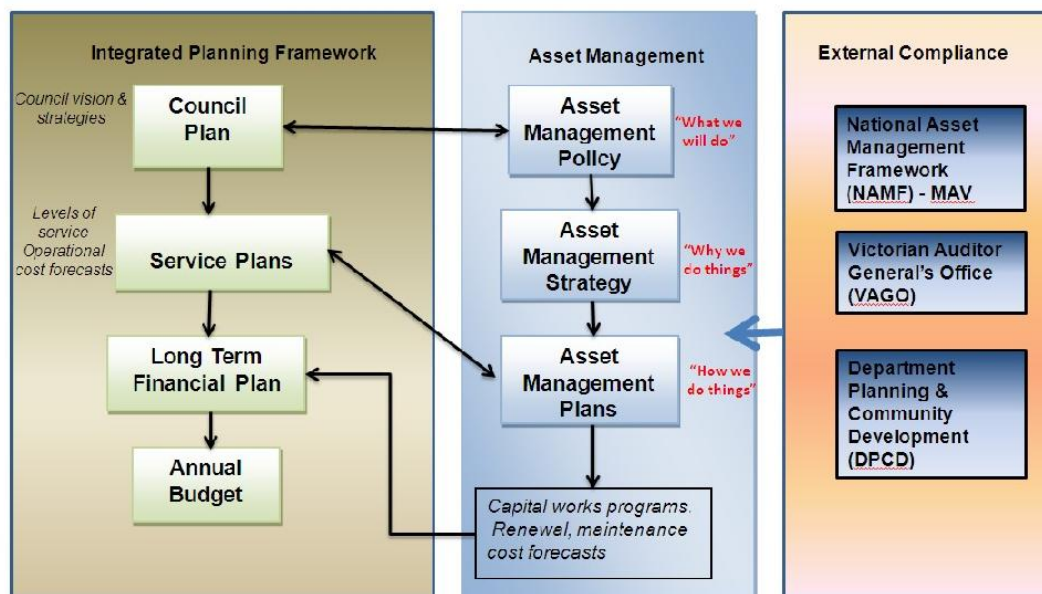
- Identify training needs, for Councillors and staff that have service planning and asset management responsibilities, so that asset management capacity is built and maintained;
- Consider risk in each Asset Management Plan.

### Evaluation & Review

- Evaluate asset management improvements and timelines and report to Council.

Asset management will be implemented within the framework of key Council plans and financial management.

### Latrobe City Asset Management Framework



To support Asset Management at Latrobe:

City Council will:

- act as custodians of community assets;
- ensure appropriate resources for sustainable asset management.

Chief Executive Officer / Executive Team will:

- provide strategic direction and leadership;
- review and develop policies related to asset management;
- ensure appropriate resources for asset management;
- monitor and review the performance of managers and staff in achieving the outcomes of the Asset Management Strategy.

Managers and Staff will:

- develop service plans that articulate levels of service, risks and costs associated with the delivery of services;
- develop and implement Asset Management Plans for individual asset categories;
- manage infrastructure assets with an emphasis of sustainability.

---

Asset Management Working Group (AWMG) will:

- be chaired by General Manager RCCI and consist of internal staff who have a direct role in asset management;
- coordinate an integrated approach to asset based service planning and asset management;
- support asset management decisions and to report progress to the executive team;
- develop increased understanding and involvement of Latrobe City teams that provide services which are supported by physical assets;
- monitor the results of audits results in line with the *National Asset Management Assessment Framework* (NAMAF) and guide organisational responses;
- review the implementation of the Asset Management Policy, Asset Management Strategy, Asset Management procedures and refer relevant documentation to the Latrobe City Audit Committee;
- remain operational for the life of the Asset Management Strategy 2014-2018.

This policy will be reviewed annually and will expire in February 2018 in accordance with NAMAF and when the Asset Management Strategy is due for review.

This policy has been reviewed after giving proper consideration to all the rights contained within the *Charter of Human Rights and Responsibilities Act 2006*; and any reasonable limitation to human rights can be demonstrably justified.

Charter acknowledgement - for internal auditing purposes only:

YES/NO Name: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / 2013

Signed : \_\_\_\_\_ Date : **XX/XX/2013**.  
*Chief Executive Officer*

# Asset Management Strategy 2014- 2018 Draft V2

Draft Strategy for Review





#### Document Control

Version No	Date	Revision Details	Authors
1	13/9/2013	Initial Draft	N. Churton/K. Reiske
2	23/9/2013	Draft	N. Churton/K. Reiske

## Asset Management Terms

Asset management is a specialised field that uses many terms that have specific asset management meaning. At times these terms are abbreviated to assist with readability of the strategy.

*These terms, their definitions and abbreviations have been included in Appendix 5 of this document.*

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## Introduction

Council is the steward of a large portfolio of assets and these assets represent a vast investment built up over many generations. These assets underpin community access to services and enhance the well-being of the Latrobe City community.

The value of Latrobe City assets, measured by replacement cost, is:

Asset Category	Replacement Cost
Roads including Kerb & Channel & Car Parks	\$596.0M
Buildings	\$286.0M
Land including Land Under Roads	\$218.0M
Drainage Assets	\$152.0M
Foot & Cycle Paths	\$69.4M
Bridges & Major Culverts	\$42.5M
Landfill	\$20.7M
Plant & Equipment	\$12.3M
Furniture & Equipment	\$6.0M
Artworks	\$2.9M
Playgrounds	\$1.6M
Intangibles (Software)	\$0.8M
<b>Total Asset Replacement Cost</b>	<b>\$1,408.2M</b>

Efficient and effective management of these assets is vital in maintaining community access to safe, reliable and well managed services. Managing Latrobe City's \$1.41 billion of assets requires a combination of financial, economic, engineering and other practices.

The environment in which local government operates is constantly changing. As assets continue to age, Councils will need to demonstrate an appropriate level of skill, expertise and stewardship in relation to management practices and the maintenance of assets. State and federal government have raised concerns about the gap between the combined current maintenance and renewal spending on local government infrastructure and the level of expenditure required to ensure ongoing sustainability. The development of existing and new assets without adequate planning and funding for maintenance and renewal will result in asset portfolios that will not meet community needs as the assets age.





The Victorian Government and the Municipal Association of Victoria (MAV) have implemented several initiatives to promote improvement in asset management performance of the local government sector. Latrobe City participates in the MAV STEP Asset Management Improvement Program which facilitates the implementation of the National Asset Management Framework (NAMF).

The need for this Asset Management Strategy has been identified as a result of the development and adoption of Council's Asset Management Policy and a review of Council's asset management practice through the MAV STEP Program.

The following asset categories will be the principal focus of this strategy.

Asset Category	Replacement Cost
Roads including Kerb & Channel & Car Parks	\$596.0M
Buildings	\$286.0M
Drainage Assets	\$152.0M
Foot & Cycle Paths	\$69.4M
Bridges & Major Culverts	\$42.5M
<b>Total Asset Replacement Cost</b>	<b>\$1,145.9M</b>

The categories above represent the largest portfolios by value (replacement cost) and highest potential risk for Council in the event of asset failure. They comprise \$1.1 billion or 81% of the total \$1.4 billion replacement cost for all Latrobe City assets.

These categories will have Asset Management Plans (AMPs) reviewed or developed over the term of this AMS.



## Council Plan 2013 - 2017

*The Council Plan identifies a range of objectives and strategies that will shape the direction and priorities for our community over the next four years.*

*Council is committed to strengthening our role as one of Victoria's four major regional cities and Gippsland's commercial centre, while ensuring quality education, health, community services and facilities are provided to our community.*

### **Mission**

*To provide the best possible facilities, services, advocacy and leadership for Latrobe City, one of Victoria's four major regional cities.*

### **Values**

*Providing affordable people focused community services.*

*Planning strategically and acting responsibly, in the best interests of the whole community.*

*Accountability, transparency and honesty.*

*Listening to and working with the community.*

*Respect, fairness and equity.*

*Open to and embracing new opportunities.*

The provision of affordable services that are supported by sustainable asset portfolios is consistent with the Council Plan objectives. These objectives will be achieved through the development and implementation of Asset Management Plans.



## Asset Management Strategy Actions

The Asset Management Policy provides guidance on Latrobe City asset management practices and provides a structure for this Asset Management Strategy under the focus areas of:

1. Governance and Management
2. Finance
3. Levels of Service
4. Data and Systems
5. Skills and Processes
6. Evaluation and Review

Under each of these focus areas there are specific action items presented to guide policy implementation.

### 1. Governance and Management

#### Asset Management Policy Action - Governance and Management

*1.1 Ensure the development and implementation of an Asset Management Strategy that outlines the current status of asset management and a plan to continuously improve asset management.*

#### Asset Management Strategy (AMS)

Asset management strategies are reviewed every four years. This Asset Management Strategy, hereafter known as the AMS sets out recommendations to improve asset management practices at Latrobe City, and to clearly link recommended actions to the National Framework for Asset Management (NAMF).

#### Asset Management Status

Latrobe City is progressive in its strategic documentation and systems. Areas that require improvement are the review of AMPs to incorporate a contemporary approach to service planning as well as updated inventory, condition assessment and life cycle analysis.

#### Priority Planning

The various asset categories present different risk and priority profiles for Council. Each asset category has been evaluated by considering the replacement value of the assets, the risk resulting from asset failure, the level of asset management knowledge and the asset management practices currently being undertaken for each asset category. These indicators have been reviewed to set priority and importance ranking of asset categories and the development of AMPs for inclusion in the AMS 2014-18.



### Asset Management Plans

AMPs outline levels of service, financial information, risk assessment, maintenance programs and management responsibilities. The level of detail included in an AMP will vary dependent upon the complexity of managing the asset category and the degree of risk that failure of the assets presents.

The asset categories that will have AMPs developed over the term of this AMS are:

Asset Management Plans	Timetable	
	Commencement	Completion
Bridges and Major Culverts	Q2 2014	Q4 2014
Drainage	Q1 2014	Q4 2015
Roads	Q4 2013	Q2 2016
Foot and Cycle Paths	Q4 2013	Q4 2016
Buildings	Q2 2014	Q2 2017
Car Parks	Q2 2017	Q4 2017

The cost estimate for the delivery of this AMS is \$2.9M which comprises \$2.0M of current expenditure (staff, software, MAV Step Program and overheads), \$150K of additional expenditure for system improvement (GIS, MMS) and \$735K of additional expenditure to undertake the AMPs. These costs are detailed in *Appendices 2 & 4*.

Other asset categories will continue to be managed through regular asset management and maintenance practices.

Under the NAMF, the following asset categories are recommended to have AMPs but have not been addressed in this strategy as they would require significant resources to be undertaken.

NAMAF Asset Categories			
Parks and Reserves	Public Toilets	Gardens & Landscaping	Land
Outdoor Furniture	Play Grounds	Lighting	Trees
Swimming Pools	Hard Courts	Sports Fields	Signage

The following asset categories would benefit from the development of AMPs but are lower in priority and have not been considered in this strategy.

Other Asset Categories			
Sheds & Shelters	Plant & Equipment	Airport	Fleet
Traffic Devices	Transfer stations	Landfill	Art
IT & Office Equipment	Public Transport Assets	Furniture	Fences

Recommendations	Time	Responsibility
1.1.1 Allocate additional funding of \$985,000 and complete AMPs for Drainage, Buildings, Bridges and Major Culverts, Roads, Paths and Car Parks with the resources identified in AMS 2014-2018	2014-2018	AM Team
1.1.2 Review AMS 2014-2018 and develop an AMS 2018-22 and present to Council for adoption	2014-2018	AM Team



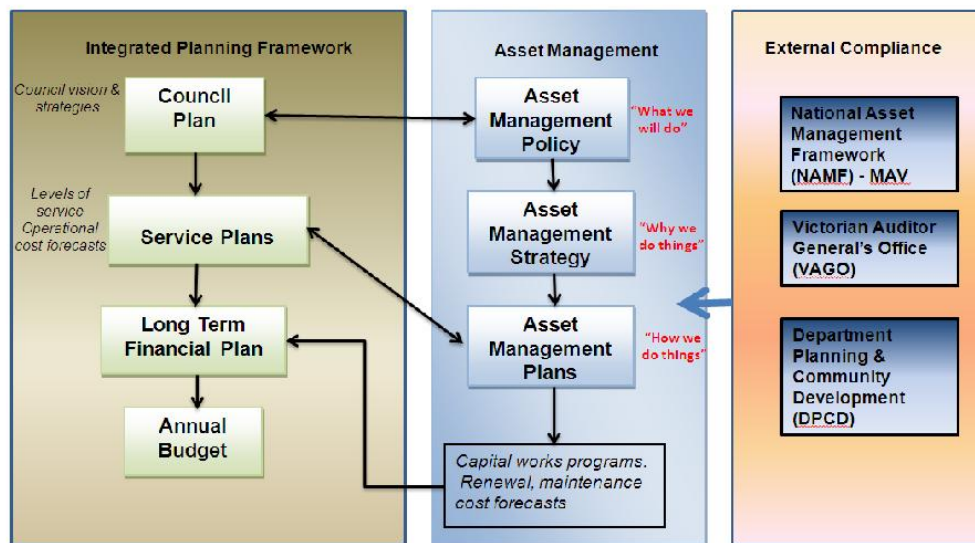
**Asset Management Policy Action - Governance and Management**

1.2 Ensure the development and implementation of AMPs with clear links to LTFP.

**Asset Management Framework**

Asset management is not an activity that can occur in isolation from the broader Integrated Planning Framework of Council. Asset management focuses on Council Plan objectives and informs Council documents such as the Long Term Financial Plan.

The following illustration presents the Latrobe City Asset Management Framework which illustrates the interaction between asset management practices and the Latrobe City Integrated Planning Framework. The framework also illustrates the interaction with external agencies that prescribe asset management best practice and to whom Latrobe City reports its asset management performance.



**Latrobe City Asset Management Framework**

Recommendation	Timeline	Responsibility
1.2.1 Business processes be documented to integrate AM with the Integrated Planning Framework.	AMS 2014-2018	Asset Management Working Group (AMWG) Council Staff



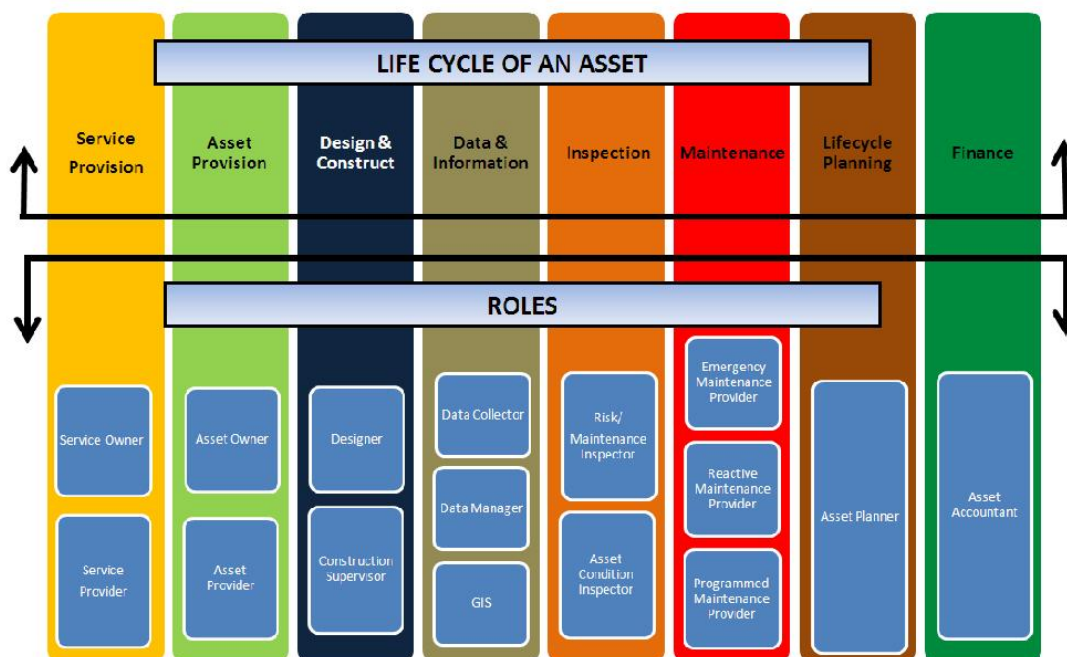
## Asset Management Policy Action – Governance and Management

1.3 Ensure roles and responsibilities for service levels, asset provision, maintenance and planning are clearly defined and understood.

### Asset Management Roles and Responsibilities

The National Asset Management Framework promotes the defining of service and asset management roles and responsibilities within an organisation to ensure that there is a clear understanding within an organisation of who will be responsible for what throughout the different phases of the asset lifecycle.

The attached illustration presents the various roles that need to be undertaken over the life cycle of an asset.



Roles and Responsibilities across the life cycle of an asset

Recommendation	Time	Responsibility
1.3.1 Asset and service management roles are defined for each asset category and are incorporated in business unit actions, employee performance reviews and position descriptions.	AMS 2014-18	AM Team AMWG



## Asset Management Policy Action – Governance and Management

### 1.4 Continually improve Council's maintenance and renewal practices

#### Asset Maintenance

Asset maintenance is critical to holding and operating an asset so that it is capable of delivering a level of service, over its useful life. Maintenance does not increase the level of service or extend the useful life of an asset.

Best practice asset management prescribes that maintenance activities are documented, planned, undertaken, recorded and measured. The maintenance module of Council's Asset Management System known as MMS is designed to assist in the maintenance management of assets. It is intended that Infrastructure Operations group implement, manage and take ownership of this system. Implementation costs are expected to be \$75,000.

Recommendation	Time	Responsibility
1.4.1 Allocate funding of \$75,000 for the implementation of the Maintenance Management System	2014-2015	Council
1.4.2 Support Infrastructure Operations team to implement the MMS software program	2014-2015	AM Team Infrastructure Operations
1.4.3 Documentation of asset maintenance practices.	2014-2018	Infra Operations

## Asset Management Policy Action – Governance and Management

### 1.5 Ensure all development and capital investment decisions are subject to whole of life cost analysis based on available AMPs and the Capital Works Policy.

#### Lifecycle Management and Costing

Life-cycle management outlines a plan for the physical actions and financial resources needed for assets over their lifecycle. Best practice promotes planning and monitoring assets from the initial planning through design, construction, maintenance, renewal until final decommissioning and disposal of the asset. Lifecycle costing and management is a key element within the National Asset Management Framework. This is the approach is considered necessary to ensure well managed assets.

Recommendation	Time	Responsibility
1.5.1 Life-cycle management is incorporated into Latrobe City business practices and facilitate inclusion of operational, maintenance, renewal, upgrade and new costs for all capital works, community projects and grants.	AMS 2014-18	AM Team AMWG



## Asset Management Policy Action – Governance and Management

1.6 Rationalise under-utilised assets that have no long term strategic benefit and dispose of assets consistent with Sale of Council Owned Property Policy and other relevant policies.

### Asset Rationalisation and Disposal

Best practice asset management encourages the assessment of each asset in terms of:

- **fit for purpose:** does the asset meet the needs of the service?
- **fit for use:** is the asset in an acceptable condition?
- **fit for the future:** will the asset meet future needs of the service?

Utilisation of assets must be measured and considered. As AMPs are developed and life cycle management is implemented, rationalisation and disposal recommendations will be made.

Recommendation	Time	Responsibility
1.6.1 Develop a process for assessing assets based on a “fit for purpose, fit for use and fit for the future” concept.	AMS 2014-18	AM Team
1.6.2 Establish measures of utilisation for assets.	AMS 2014-18	AM Team





## 2. Finance

### Asset Management Policy Actions - Finance

- 2.1 Integrate asset management, long term financial and strategic resource planning;
- 2.2 Ensure that the asset base is not increased without considering the impact on Council's ability to fund future maintenance, operating costs, and renewal of the asset.

#### Integration of AMPs and the LTFP

Asset prediction software analyses asset lifecycle costs to generate funding requirements that can be considered for inclusion in the LTFP. Recommendations on the funding requirements needed for sustainability in each asset category are made in each AMP.

#### Increasing the Asset Base

Council inherits new and existing assets from many sources such as developers, community groups, government funding and private gifts. An understanding of full life cycle costs is considered necessary to plan and manage assets effectively therefore a process is required to assess life cycle costs of all assets before Council takes responsibility for them. Adequate funds need to be allocated at the time of inheritance to maintain, operate and renew these assets. This process would augment the idea that Councils must balance service delivery and an increasing asset base with their ability to pay for the management of these assets.

Recommendation	Time	Responsibility
2.1.1 Implement asset prediction modelling to forecast funding needs.	2014-2018	AM Team
2.1.2 Recommend projected funding for inclusion in the LTFP and incorporate incoming AMPs into the annual review of LTFP.	Annually	AM Team
2.2.1 Develop a process for assessing and providing for the full life cycle cost of assets before they are gifted to Council.	2014	AM Team



## Asset Management Policy Action - Finance

*2.3 Adequately identify and plan for future maintenance costs of assets and infrastructure to reduce the asset renewal gap in allocated funding.*

### Planning for Asset Maintenance

In the design phase of an asset consideration should be given to maintenance costs over its useful life. Identifying these costs is a critical part of the decisions Council may make about the affordability of new and upgraded assets. Ignoring this step leads to an ever-expanding asset base that does not have adequate maintenance funding.

A balance needs to be achieved between emergency, reactive and programmed maintenance expenditure so that risk, safety and the level of service can be achieved without over-maintaining an asset.

Recommendation	Time	Responsibility
2.3.1 Ensure life-cycle costs are considered and maintenance funding is allocated when new or upgraded assets are designed.	2014-2018	Infra Dev
2.3.2 Measure and analyse trends in reactive versus programmed maintenance costs.	2014-2018	Infra Ops AM Team

## Asset Management Policy Actions - Finance

*2.4 Improve integration and alignment with Council's financial systems and classify operational, maintenance, renewal, upgrade or new asset expenditure;*

*2.5 Ensure that asset management practices align with Asset Accounting Policy.*

### Asset Accounting

Financial and asset reporting relies upon accurate data and data structures so that information can be provided to Council and all departments within Council. The LTFP presents maintenance, renewal, upgrade and new expenditure. These costs need to be tracked for all assets so that actual expenditure can be compared to forecasts.

Recommendation	Time	Responsibility
2.4.1 Conduct a review of financial classes and reporting to improve the connection between corporate finance and asset management systems.	2014-2015	AM Team Finance



2.4.2 Ensure all asset related expenditure is classified in the financial systems as either operational, maintenance, renewal, upgrade or new.	2014-2018	Finance
2.5.1 Continue to adhere to and update Asset Valuation Methodology documentation.	Annually	AM Team Finance



### 3. Levels of Service

#### Asset Management Policy Actions – Levels of Service

- 3.1 Ensure current community and technical levels of service are documented for each of Council's services that rely upon or generate assets;
- 3.2 Ensure that all plans and strategies of Council are considered in the delivery of service plans and the overall strategic needs of the community are kept in mind;
- 3.3 Ensure that community is consulted when Council considers changes to the service delivery needs of the community;
- 3.4 Consider alternate levels of service that balance with available resources and long term financial planning.

#### Service Plans

Council's services depend upon physical assets for their delivery. Service planning is an examination of the service, its costs, roles and responsibilities and assets utilised.

Two levels of service planning are proposed:

##### **Level 1 Service Planning:**

Level 1 service planning involves documenting current community and technical levels of service, current budgets and lists of assets used and assigning roles and responsibilities for service delivery and asset management. This will allow for projecting long term financial planning based on current service levels and asset use.

##### **Level 2 Service Planning:**

Level 2 service planning requires comprehensive review including referencing all activities involved in the service delivery, performance measures and undertaking scenario modelling analysing the impact of differing levels of service on cost and sustainability. The level 2 service planning requires community engagement to explore community willingness to pay for different levels of service and considerable resources that have not been considered in this strategy.

Recommendation	Time	Responsibility
3.1.1 Identify and prioritise the Level 1 Service Plans to support the nominated AMPs.	AMS 2014-18	AM Team AMWG



## 4. Data and Systems

### Asset Management Policy Actions – Data and Systems

- 4.1 Continue utilising resources and technology to increase efficiency within Latrobe City;
- 4.2 Develop business process documentation for asset management;
- 4.3 Participate in asset management best practice and benchmarking programs.

#### Asset Management Team and On-costs

A level of expenditure is required to implement good asset management practices and to provide internal and external performance reporting. (*Appendices 1 & 2*). The base level of current funding for Asset management is \$510,000 per annum.

#### MyData

MyData is a central register and asset management system for all asset categories, which includes in-built reporting, works tracking, condition assessment and life-cycle costs. It can be integrated with MyPredictor for a Strategic Asset Management planning and operational system. The Maintenance Management System has the potential to refine costing on assets/asset categories and reveal spending needs for further analysis and service planning. An unlimited site licence for this software allows asset managers to access and manage asset data. The software operates on a Citrix platform for access in the field.

#### GIS

Asset information is represented in Council's Geographic Information System (GIS). The accessibility and display of asset data is increased by a direct connection with GIS.

#### Business Processes

Asset management processes are to be developed and documented to capture knowledge and to assist with retention of capacity and succession planning.

#### External Performance Monitoring

Latrobe City participates in regional forums and state based programs to compare its progress with other municipalities.

Recommendation	Time	Responsibility
4.1.1 Continue annual funding of \$510,000 for asset management systems, staff, vehicle and data capture.	Annually 2014-2018	AM Team



4.1.2 Allocate additional annual funding of \$75,000 for data collection devices and geographic information system/support.	Annually 2014-2018	AM Team
4.1.3 Continue annual funding of \$10,000 for NAMAf/MAV Step Program participation.	Annually 2014-2018	AM Team
4.2.1 Develop asset management business process manual to support actions in AMPs.	2014-2018	AM Team



## 5. Skills and Processes

### Asset Management Policy Actions – Skills and Processes

- 5.1 Identify training needs for Councillors that broadens their knowledge of asset management;
- 5.2 Ensure staff that have service planning and asset management responsibilities are trained so that asset management capacity is built and maintained;
- 5.3 Consider risk of asset failure in each AMP.

#### Training

As asset management is a complex field and the participants are expected to make important decisions about assets, training is necessary to ensure an appropriate level of skill and understanding.

#### Risk

The community is the focus of Council services and there is an implied understanding that Council will ensure that assets do not pose a risk to personal safety and to the continuation of services.

Asset failure will be considered in AMPs and risk registers will be updated with relevant findings.

Recommendation	Time	Responsibility
5.1.1 Ensure Councillors have the appropriate information and training in asset management.	2014-2018	AM Team
5.2.1 Establish a training matrix based on staff roles and responsibilities and include training needs as part of annual staff performance reviews.	2014-2018	AM Team AMWG
5.3.1 Consider the risk of asset failure and ensure that Council's Risk Register is updated for each asset category.	2014-2018	AM Team Risk and Compliance Team



## 6. Evaluation and Review

### Asset Management Policy Actions – Evaluation and Review

#### 6.1 Evaluate asset management improvements and timelines and report to Council.

##### Annual Asset Management Report

Asset management performance is currently measured by participation in external programs and internal business plan reporting. Under this strategy, progress achieved will be reported annually to Council.

##### MAV Step Program

The National Asset Management Assessment Framework (NAMAF) is a methodology for the assessment of the maturity of asset management practices from which a prioritised improvement plan can be developed. Councils may achieve a “Core” level of maturity as assessed under the NAMAF and then progress to an “Advanced” level of maturity. Latrobe City participates in the MAV STEP Asset Management Improvement Program whereby performance is assessed annually. External asset management specialists have reviewed the recommended actions from the 2011/2012 MAV Step Program Self-Assessment to verify the findings for inclusion in this AMS and to guide Latrobe City in its quest for best practice asset management.

Recommendation	Time	Responsibility
6.1.1 Report annually to Council on the progress of the AMS and asset management improvements.	2014-2018	AM Team
6.1.2 Continue to monitor progress against the NAMAF (MAV STEP Asset Management Improvement Program) to identify gaps and to guide continuous improvement.	Annually	AM Team AMWG
6.1.3 Continue to use professional advice on performance that supports and builds internal asset management capacity.	AMS 2014-2018	AM Team AMWG
6.1.4 Review the AMS, AMPs and LTFP inclusions in the event of a disaster affecting assets.	AMS 2014-2018	AM Team





## Conclusion

This strategy has been developed with close attention to advancing asset management at Latrobe City. The AM policy and strategy review have been considered to ensure compliance with the National Asset Management Framework and implementation will create alignment with the framework.

All strategy actions have been aligned with AM policy and organised within the following areas:

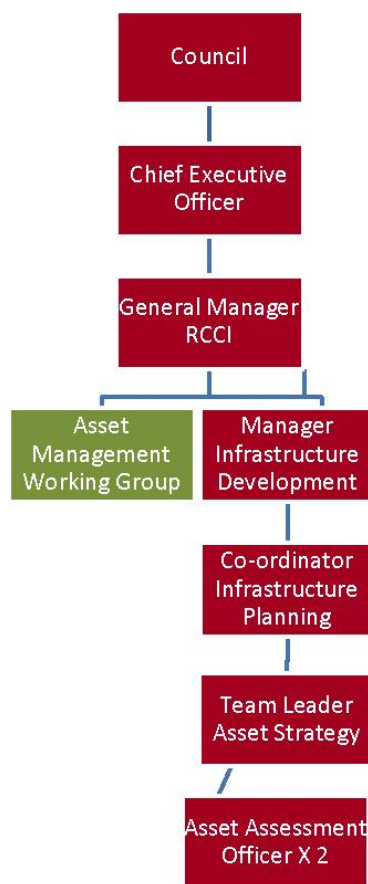
1. Governance and Management
2. Finance
3. Levels of Service
4. Data and Systems
5. Skills and Processes
6. Evaluation and Review

Funding and implementing these actions will ensure that Latrobe City continues to manage its significant portfolio of assets for its community and will result in acceptance of asset management as embedded practice.



## Appendix 1

### Current Asset Management Organisational Structure and Tasks



#### Current Asset Strategy Team Tasks

- ✓ External Reporting of asset data
- ✓ Collection of assets data
- ✓ Valuations
- ✓ Asset value and Depreciation asset classes
- ✓ Capital Works Program updates
- ✓ Convene Asset Management Working Group
- ✓ Asset Management Plans
- ✓ Service Planning
- ✓ Reseal Program – finance driven & asset history element
- ✓ Maintenance / Capital works demarcation
- ✓ Maintenance of GIS Asset Layer data and Spatial data
- ✓ Data Collection of Developer Contributed Assets
- ✓ Internal Information service
- ✓ Provision of asset lists
- ✓ Field based and Video Condition Assessment
- ✓ Rural road numbering data collection
- ✓ Road Management Plan (RMP) interpretation
- ✓ Maintain Public Road Register
- ✓ Street Lighting and Flag Pole Safety Inspections
- ✓ Level 2 Bridge inspections
- ✓ RMP Footpath Hazard Inspections
- ✓ Produce Footpath works program
- ✓ Trimble upkeep – service and use
- ✓ Digital Plan A-spec contact
- ✓ Facilitate contractor data collection
- ✓ Prediction modelling
- ✓ Affixing asset plaques/identification plates



## Appendix 2

### AMS 2014-2018 Cost Estimates

#### Current Budget - Annual recurrent Funding

	Item	Description	Annual Cost
4.1.1	AM Departmental Annual Costs	Asset management systems, Staff, Vehicle & data capture	\$510,000

#### Additional Funding - Systems Improvement

	Item	Description	2014-2018 Cost
Maintenance	MMS	MMS Implementation	\$75,000
4.1.2	GIS	Data collection devices and geographic information system support	\$75,000
		<b>TOTAL</b>	<b>\$150,000</b>

#### Additional Funding - Project Costs for development of AMPs

Item	Description	Project Cost 2014-2018
AMP Funding	Drainage	\$285,000
	Buildings	\$225,000
	Roads	\$45,000
	Paths	\$45,000
	Bridges	\$55,000
	Carparks	\$80,000
	<b>TOTAL</b>	<b>\$735,000</b>



## Appendix 3

### Asset Management Strategy Matrix 2014-2018

The indicators used to set priority and importance of AMPs for inclusion in the AMS 2014-18 matrix are explained below:

Item	Definitions
AMP Inclusions	Which asset classes/types will be included in AMP Included
AMP Priority	Whether AMP has been deemed a priority based on replacement value, risk and organisational need and knowledge Low  Med  High
Risk Due to Asset failure	The likelihood and impact of asset failure within an asset class Low  Med  High
Value	Replacement Value Low  Med  High
Current Knowledge	How well the asset class is understood taking in to account data and skills/knowledge of staff <b>0</b> No knowledge <b>5</b> Comprehensive knowledge
Inventory	The collection of asset data, attributes and spatial information Included in work program
Condition	Whether condition assessment will be performed on an asset class during AMS Included in work program
Valuation	The application of external valuation or unit rates to value a class of assets. Included in work program
Service Plan	Whether a service plan/s will be completed for AMP Included in work program
Resource Level Required	What level of resources (time, \$, staff) will be required to achieve an AMP Low  Med  High
AMP Date	The year by which the AMP is expected to be completed



**Legend:**

Priority, Risk, Value      ● Low    ● Med    ● High

Resourcing Requirement    ● Low    ● Med    ● High

Current knowledge      0 None    5 Comprehensive

Expected to be part of the AMS 2014-2018 action plan ✓

AMP Date Year targeted for completion

Asset Class	AMP	Asset Category	AMP Inclusions	AMP Priority	Risk Due to Asset failure	Replacement Value	Current Knowledge	Inventory	Condition	Valuation	Service Plan	Resourcing Required	AMP Date
Governance		Office Furniture	-	-	-	-	4	-	-	-	-	● High	-
		IT & Office Equipment	-	-	-	-	4	✓ (IT)	-	-	-	● High	-
		Fleet	-	-	-	-	4	-	-	-	-	● High	-
		Art	-	-	-	-	4	-	-	-	-	● High	-
Land		Vacant Land	-	-	-	-	5	-	-	-	-	● High	-
		Open Space	-	-	-	-	5	✓	-	-	-	● High	-
	RAMP	Land with Buildings Land Under Roads	✓	● High	● High	● High	5	✓	-	✓	✓	● High	-
Buildings		Council Buildings	✓	● High	● High	● High	3	✓	-	✓	✓	● High	2017
		Community Buildings	✓	● High	● High	● High	2	✓	-	✓	✓	● High	2017
	BAMP	Sporting Facilities	✓	● High	● High	● High	3	✓	-	✓	✓	● High	2017
		Sheds	-	● Low	● Low	● Low	2	-	-	-	-	● Med	-
		Shelters	-	● Low	● Low	● Low	2	-	-	-	-	● Med	-
Transport		Roads	✓	● High	● High	● High	4	✓	✓	✓	✓	● High	2016
		Road Drainage	✓	● High	● High	● High	1	✓	✓	✓	✓	● High	2016
	RAMP	Kerb & Channel	✓	● High	● High	● High	4	✓	✓	✓	✓	● High	2016
		Traffic Devices	-	● Low	● Low	● Med	0	✓	-	-	-	● High	-
		Public Transport Assets	-	-	● Low	● Med	1	✓	-	-	-	● High	-
		Car Parks	✓	● High	● High	● High	4	✓	✓	✓	✓	● High	2017
	BRAMP	Bridges & Major Culverts	✓	● Med	● High	● High	4	✓	✓	✓	✓	● Low	2014
	PAMP	Paths (Street)	✓	● Med	● Med	● High	4	✓	✓	✓	✓	● Med	2016
	Airport	-	-	● High	● High	3	-	-	-	-	● High	-	



**Legend:**

Priority, Risk, Value      ● Low   ● Med   ● High

Resourcing Requirement   ● Low   ● Med   ● High

Current knowledge      0 None   5 Comprehensive

Expected to be part of the AMS 2014-2018 action plan ✓

AMP Date Year targeted for completion

Asset Class	AMP	Asset Category	AMP Inclusions	AMP Priority	Risk Due to Asset failure	Replacement Value	Current Knowledge	Inventory	Condition	Valuation	Service Plan	Resourcing Required	AMP Date
Drainage	DAMP	Stormwater Capture (Pits)	✓	●	●	●	1	✓2	✓2	✓2	✓0	●	2015
		Stormwater Flow (Pipes)	✓	●	●	●	1	✓2	✓2	✓2	✓0	●	2015
		Stormwater Treatment	-	●	●	●	1	✓2	✓0	✓0	-	●	-
		Stormwater Discharge	-	●	●	●	1	✓2	✓0	✓0	-	●	-
Recreation		Sports Fields	-	-	-	-	1	-	-	-	-	●	-
		Hard Courts	-	-	-	-	1	-	-	-	-	●	-
		Play Grounds	-	-	●	●	4	✓4	-	-	-	●	-
		Swimming Pools	-	-	●	●	2	-	-	-	-	●	-
Public Amenity	LAMP	Lighting	-	-	●	●	2	✓2	-	-	-	●	-
	SAMP	Signage	-	-	●	●	2	✓2	-	-	-	●	-
	PAMP	Paths (Reserve)	✓	●	●	●	4	✓4	✓4	✓4	✓0	●	2016
		Public Toilets	-	-	●	●	2	-	-	-	-	●	-
		Fences	-	-	●	●	0	-	-	-	-	●	-
		Outdoor Furniture	-	-	●	●	0	-	-	-	-	●	-
	TAMP	Street Trees	-	-	●	●	2	-	-	-	-	●	-
	Gardens & Landscaping	-	-	●	●	0	-	-	-	-	●	-	
Operations		Plant	-	-	●	●	3	-	-	-	-	●	-
		Equipment	-	-	●	●	2	-	-	-	-	●	-
Waste		Transfer stations	-	-	●	●	3	-	-	-	-	●	-
		Landfill	-	-	●	●	3	-	-	-	-	●	-



## Appendix 4

### 2014-2018 AMP Timetable and AMP Cost Estimates

The following timetable for the development of AMPs is presented including a cost estimate for external services and support that will be required to complete the AMPs.

2014-2018 AMS Asset Management Timetable & Cost Forecast																			
	Item	2014				2015				2016				2017				ALL	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
CURRENT FUNDING	<b>AM Department</b>	Asset management team – staff, overheads, software and current programs																	
	AM Team	\$460K				\$460K				\$460K				\$460K				\$1,840K	
	Software Licences	\$40K				\$40K				\$40K				\$40K				\$160K	
	MAV Step Program	\$10K				\$10K				\$10K				\$10K				\$40K	
	<b>Sub-total</b>	\$510K				\$510K				\$510K				\$510K				\$2,040K	
ADDITIONAL FUNDING	<b>Systems</b>	Costs to support improvements in GIS and MMS																	
	GIS	\$30K				\$15K				\$15K				\$15K				\$75K	
	MMS	\$60K				\$5K				\$5K				\$5K				\$75K	
	<b>Sub-total</b>	\$90K				\$20K				\$20K				\$20K				\$150K	
	<b>AMPs</b>	Costs and timing for the delivery of individual AMPs																	
		2013	2014				2015				2016				2017				ALL
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Bridges & Drainage		1	1	2	2	2	3	3	3									\$285K
	Roads	2!						1	2	3	3								\$45K
	Paths	2!									1	2	3	3					\$45K
Buildings		1	1	1	1	1	2	2	2	2	3	3	3	3	3			\$225K	
Car Parks															1	2	3	\$80K	
<b>Sub-total</b>		\$320K				\$240K				\$90K				\$85K				\$735K	
<b>Total</b>		\$920K				\$770K				\$620K				\$615K				\$2,925K	

\*All figures are indicative costs estimates and will be subject to the annual budget process and indexation.

! Budget 2012-13 expenditure of \$210K for condition assessment of roads and footpaths not included in strategy costs.



1	BRAMP Bridges & Major Culverts Asset Management Plan PROJECT PLAN	2014				2015				2016				2017				Resourcing		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Internal	External	External Cost
Stage 1	Service Plan	1															100%	0%	\$0K	
	Scoping: Extent, Inclusions, Exclusions, Timelines, Resources & general approach	1															100%	0%	\$0K	
	Review hierarchy, Condition, Inventory, Unit rates, Life cycle costs, Maintenance programs, Classification		1														90%	10%	\$5K	
Stage 2	Activate MMS & Data Collection Techniques and Training for Maintenance Crews		2														90%	10%	\$5K	
	Undertake Inventory verification: Sampling, Age profiling, Extrapolate condition scores		2														5%	95%	\$25K	
	Spatial Representation: Data Layers, Illustrate inventory, Condition, Criteria, attributes, Maintenance		2														100%	0%	\$0K	
Stage 3	Prediction Modelling, Life cycle analysis			3													95%	5%	\$15K	
	Documentation			3													95%	5%	\$5K	
	Review & Adoption			3													100%	0%	\$0K	
Total Project Summary																	86%	14%	\$55K	





2	DAMP Drainage Asset Management Plan PROJECT PLAN	2014				2015				2016				2017				Resourcing		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Internal	External	External Cost
Stage 1	Service Plan	1	1															100%	0%	\$0K
	Scoping: Extent, Inclusions, Exclusions, Timelines, Resources & general approach																	25%	75%	\$20K
	Review hierarchy, Condition, Inventory, Unit rates, Life cycle costs, Maintenance programs, Classification	1																80%	20%	\$20K
Stage 2	Activate MMS & Data Collection Techniques and Training for Maintenance Crews		2	2														15%	85%	\$75K
	Undertake Inventory verification: Sampling, Age profiling, Extrapolate condition scores			2	2													5%	95%	\$150K
	Spatial Representation: Data Layers, Illustrate inventory, Condition, Criteria, attributes, Maintenance				2													85%	15%	\$5K
Stage 3	Prediction Modelling, Life cycle analysis					3												95%	5%	\$5K
	Documentation					3	3											95%	5%	\$10K
	Review & Adoption							3										100%	0%	\$0K
<b>Total Project Summary</b>		<b>\$270K</b>				<b>\$15K</b>												<b>67%</b>	<b>33%</b>	<b>\$285K</b>

A major asset class requiring extensive knowledge building. \* Requires review of the Storm Water Management Plan.



3	RAMP Roads Asset Management Plan PROJECT PLAN	2013	2014				2015				2016				2017				Resourcing		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Internal	External	External Cost
Stage 1	Service Plan						1											100%	0%	\$0K	
	Scoping: Extent, Inclusions, Exclusions, Timelines, Resources & general approach						1											95%	5%	\$5K	
	Review hierarchy, Condition, Inventory, Unit rates, Life cycle costs, Maintenance programs, Classification						1											90%	10%	\$5K	
Stage 2	Activate MMS & Data Collection Techniques and Training for Maintenance Crews								2									15%	85%	\$10K	
	Undertake Inventory verification: Sampling, Age profiling, Extrapolate condition scores	2																5%	95%	\$155K	
	Spatial Representation: Data Layers, Illustrate inventory, Condition, Criteria, attributes, Maintenance								2									85%	15%	\$5K	
Stage 3	Prediction Modelling, Life cycle analysis									3								95%	5%	\$15K	
	Documentation									3								95%	5%	\$5K	
	Review & Adoption												1					100%	0%	\$0K	
<b>Total Project Summary</b>		\$155K							\$25K		\$20K							76%	24%	\$200K	

Condition inspection (Video, Condition Assessment) is scheduled and budgeted for 2013.



4	PAMP Paths Asset Management Plan PROJECT PLAN	2013	2014				2015				2016				2017				Resourcing		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Internal	External	External Cost
Stage 1	Service Plan									1								100%	0%	\$0K	
	Scoping: Extent, Inclusions, Exclusions, Timelines, Resources & general approach									1								95%	5%	\$5K	
	Review hierarchy, Condition, Inventory, Unit rates, Life cycle costs, Maintenance programs, Classification									1								90%	10%	\$5K	
Stage 2	Activate MMS & Data Collection Techniques and Training for Maintenance Crews										2							15%	85%	\$10K	
	Undertake Inventory verification: Sampling, Age profiling, Extrapolate condition scores	2																5%	95%	\$55K	
	Spatial Representation: Data Layers, Illustrate inventory, Condition, Criteria, attributes, Maintenance										2							85%	15%	\$5K	
Stage 3	Prediction Modelling, Life cycle analysis											3						95%	5%	\$15K	
	Documentation												3					95%	5%	\$5K	
	Review & Adoption													3				100%	0%	\$0K	
<b>Total Project Summary</b>		\$55K																<b>76%</b>	<b>24%</b>	<b>\$100K</b>	

Condition inspection (Video. Condition Assessment) is scheduled and budgeted for 2013.



5	BAMP Buildings Asset Management Plan PROJECT PLAN	2014		2015		2016		2017		Resourcing												
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Internal	External	External Cost						
Stage 1	Service Plan	1	1	1	1									100%	0%	\$0K						
	Scoping: Extent, Inclusions, Exclusions, Timelines, Resources & general approach					1								95%	5%	\$5K						
	Review hierarchy, Condition, Inventory, Unit rates, Life cycle costs, Maintenance programs, Classification					1								90%	10%	\$15K						
Stage 2	Activate MMS & Data Collection Techniques and Training for Maintenance Crews					2	2							15%	85%	\$175K						
	Undertake Inventory verification: Sampling, Age profiling, Extrapolate condition scores							2						5%	95%	\$15K						
	Spatial Representation: Data Layers, Illustrate inventory, Condition, Criteria, attributes, Maintenance								2					85%	15%	\$5K						
Stage 3	Prediction Modelling, Life cycle analysis								3	3				95%	5%	\$5K						
	Documentation										3			95%	5%	\$5K						
	Review & Adoption											3		100%	0%	\$0K						
<b>Total Project Summary</b>																	<b>\$195K</b>	<b>\$25K</b>	<b>\$5K</b>	<b>76%</b>	<b>24%</b>	<b>\$225K</b>

A major asset class that requires service planning from other Latrobe City teams & inventory best linked to next valuation.



6	CPAMP Car Park Asset Management Plan PROJECT PLAN	2014				2015				2016				2017				Resourcing		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Internal	External	External Cost
Stage 1	Service Plan														1			100%	0%	\$0K
	Scoping: Extent, Inclusions, Exclusions, Timelines, Resources & general approach														1			100%	0%	\$0K
	Review hierarchy, Condition, Inventory, Unit rates, Life cycle costs, Maintenance programs, Classification														1			90%	10%	\$5K
Stage 2	Activate MMS & Data Collection Techniques and Training for Maintenance Crews														2			90%	10%	\$5K
	Undertake Inventory verification: Sampling, Age profiling, Extrapolate condition scores														2			5%	95%	\$50K
	Spatial Representation: Data Layers, Illustrate inventory, Condition, Criteria, attributes, Maintenance														2			100%	0%	\$0K
Stage 3	Prediction Modelling, Life cycle analysis															3		95%	5%	\$15K
	Documentation															3		95%	5%	\$5K
	Review & Adoption															3		100%	0%	\$0K
<b>Total Project Summary</b>																	<b>\$80K</b>	<b>86%</b>	<b>14%</b>	<b>\$80K</b>



## Appendix 5

### Definitions

Defined terms used in the AMS 2014-18 include:

<b>Asset</b>	An asset owned or managed by Latrobe City Council that provides value to the level of service provided to the Latrobe City Community.
<b>Asset Class</b>	Groupings of assets of a similar nature.
<b>Asset Management</b>	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
<b>Asset Management Plan (AMP)</b>	An AMP is a plan that projects the level and timing of cash flows associated with acquisition, replacement and new assets, asset maintenance and disposal in order to be able to achieve desired levels of service from assets. Councils are required to prepare AMPs with a planning period of at least 4 years. They assist in determining a Council's funding and financing needs and inform the Council's long-term financial plan and annual budget. It is one of a suite of documents that collectively make up a Council's approach to asset management.
<b>Asset Management Policy</b>	A policy that ensures compliance with any asset management statutory requirements as well as achieving and maintaining standards that reflect good administrative practices.
<b>Asset Management Working Group (AMWG)</b>	Steering committee consisting of Infrastructure Development, Infrastructure Operations, Finance, Risk and Asset Management representatives.
<b>Asset renewal/replacement costs</b>	Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally.



<b>Asset Management Strategy (AMS)</b>	<p>An AMS sets out the strategic asset management goals by outlining what services are delivered, the methods of service delivery including non-asset solutions, and what assets and resources will be required. An AMS sets out the practical implementation of Council's strategic goals and helps in identifying the optimal asset base that is necessary to support service delivery requirements.</p> <p>An AMS comprises a number of plans that detail how Council will use its assets in an efficient and effective manner over each asset or asset group's life-cycle to support service delivery. An AMS will usually cover the development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation, replacement, disposal and performance monitoring, to ensure that the desired levels of service delivery and other operational objectives are achieved at optimum cost.</p>
<b>Capital expenditure</b>	<p>Expenditure on items which will provide benefits that extend into future financial periods. It includes expenditure to acquire new assets or to enhance existing assets to provide expanded, or a higher level of, service.</p>
<b>Capital new expenditure</b>	<p>Capital expenditure that creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.</p>
<b>Capital renewal expenditure</b>	<p>Capital expenditure on an existing asset that returns the service potential or the useful life of the asset, up to, that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project costs need to be allocated accordingly.</p>



<b>Capital upgrade expenditure</b>	Expenditure, which enhances an existing asset to provide a higher level of service, and/or expenditure which increases the useful life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project costs need to be allocated accordingly.
<b>Condition Assessment</b>	The process of continuous or periodic inspection, assessment, measurement and interpretation to indicate the condition of an asset to determine the need for preventative or remedial action or to reassess the assets remaining useful life for valuation purposes.
<b>Classes and Categories of assets</b>	A grouping of assets of a similar nature and use in an entity's operations.
<b>Community consultation</b>	The process of seeking the views and input of a community or section of the community.
<b>Community engagement</b>	Although often used interchangeably with community consultation, engagement implies a mutual two way process which can cover consultation, extension, communication, education, public participation, participative democracy or working in partnership.
<b>Council</b>	Interchangeable with Latrobe City
<b>Council Plan</b>	This plan is a statutory requirement and is a strategic planning document which focuses on the community, rather than the internal operations of Council.
<b>Infrastructure</b>	A term used to describe physical assets such as roads, buildings, stormwater drainage and community waste water management systems controlled by Council.





<b>Long-term Financial Plan (LTFP)</b>	A plan that projects a forecast of a Council's financial performance and position over a period of at least 10 years. It is one of a suite of documents that collectively make up a Council's Strategic Management Framework and the LTFP should be consistent with, and express financially, actions expressed or required to give effect to strategies proposed in these other documents.
<b>10 Year Financial Plan</b>	The name used for Latrobe City's Long Term Financial Plan.
<b>MAV</b>	Municipal Association of Victoria.
<b>National Asset Management Assessment Framework (NAMAF)</b>	A methodology for assessing the maturity of a Council's Asset Management practices and processes against the National Asset Management Framework (NAMF). 'Core' maturity level – the base maturity level in the National Asset Management Assessment Framework (NAMAF). 'Advanced' maturity level – a maturity level in National Asset Management Assessment Framework (NAMAF) indicating comprehensive asset management processes.
<b>National Asset Management Framework (NAMF)</b>	A national framework for best practice asset management underpinned by NAMAF methodology.
<b>Service Planning (SP)</b>	A process that outlines service objectives for specific council services. The service plan encompasses the principles for the provision of the service, the level of service to be provided, key roles and responsibilities for the delivery of the service, financial costs and revenues related to the delivery of the service and performance measures including a unit cost used to monitor the performance of service delivery.
<b>Service levels</b>	Levels of service prescribed for a service provided by Council.
<b>Whole of life cycle cost estimates</b>	Acquisition, maintenance and disposal costs/receipts of an asset over its useful life.



## Abbreviations

Abbreviations used in the AMS include:

AMS	Asset Management Strategy
BAMP	Building Asset Management Plan
BRAMP	Bridge Asset Management Plan
DAMP	Drainage Asset Management Plan
FAMP	Footpath Asset Management Plan
IIMM	International Infrastructure Management Manual
LAMP	Lighting Asset Management Plan
MMS	Maintenance Management System
RAMP	Road Asset Management Plan
RMP	Road Management Plan - Road Management Act 2004 (Vic)



## Appendix 6

### Peer Review

The draft of the strategy has been peer reviewed by Ashay Prabhu (ACEAM Pty Ltd), an industry recognised leader in asset management in local government across Australia.

*"Hats off to whoever did these documents; the strategy in particular stands out as generation 3, industry best.*

*Once you put a costed strategy action plan, this will "rock" but needs to be costed and funded so it is doable and realistic.*

*One of the big things for strategies (generation 2 strategies) is to use the generation 1 shortcomings to more robustly put a practical action plan in place.*

*Most Councils simply put a wish list and that is just a paper document.*

*A strategy with a funded action plan that also shows what was learnt from the previous strategy and its shortcomings is a very robust strategy. That's one of the key dot points I have highlighted.*

*Overall a very good document Latrobe City Council should be really proud of as it covers the core areas of responsibility and roles, action plans, asset classifications, condition guidelines etc really well.*

*Thanks for this opportunity to review this document."*

Regards

Ashay Prabhu  
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South Melbourne, Vic 3205  
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Mobile: 0419567217

# COMMUNITY LIVEABILITY

**15. COMMUNITY LIVEABILITY**

Nil reports

# GOVERNANCE

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

### 16. GOVERNANCE

#### 16.1 Assembly of Councillors

**General Manager**

**Governance**

**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 7 October 2013.

#### 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 between the 11 September 2013 and the 2 October 2013:

<b>Date:</b>	<b>Assembly Details / Matters Discussed:</b>	<b>In Attendance:</b>	<b>Conflicts of Interest Declared:</b>
11 Sep 2013	Positive Ageing Reference Committee  History Pin at the Library, Visit to Monash Positive Ageing Group, development of PARC promotional brochure, future guest speakers, development of questions for the Positive Ageing Plan review, Advertising of consultation	Cr O'Callaghan  Helen Taylor - Manager Community Health & Wellbeing Fiona Peaty - Health Admin (minute taker)	NIL
19 Sep 2013	Latrobe City Municipal Public Health and Wellbeing Plan (MPHWP) Project Reference Group  Latrobe City MPHWP – Overview and Update MPHWP Action Plan MPHWP Review and Evaluation Plan Future Work to Progress the Draft MPHWP	Cr O'Callaghan  Julie Kyriacou (Acting General Manager Community Liveability) Ronda Bruerton (Acting Manager Healthy Communities), David Lane (Acting Coordinator Healthy Communities) and Debbie Mitchell (Be ACTIVE Coordinator)	NIL

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

Date:	Assembly Details / Matters Discussed:	In Attendance:	Conflicts of Interest Declared:
19 Sep 2013	Traralgon CBD Safety Committee Meeting  McDonalds Planning Permit, CCTV update, Action Plan Update, Taxi Services Report, LV Bus Lines Report, Victoria Police Report, Traralgon Chamber of Commerce Report, Latrobe City Update - Local Laws update, Multi-Level Car Park update, Urban Cleaning.	Cr Rossiter  Steve Tong, Heather Farley, Andrew Legge	NIL
2 Oct 2013	Latrobe Tourism Advisory Board  QR project, TAB Objectives and Business & Events Partnership	Cr Darrell White  Linda Brock, Rachel Callus, David Elder	NIL

### Attachments

1. Assembly of Councillors Records - Not Confidential - Combined

### RECOMMENDATION

**That Council note this report.**



# **16.1**

## **Assembly of Councillors**

- 1 Assembly of Councillors Records - Not Confidential -  
Combined ..... 175**



## Assembly of Councillors Record

**Assembly details:** Positive Ageing Reference Committee

**Date:** 11 September 2013

**Time:** 1.00 pm

**Assembly Location:** Rose Garden Meeting Room

**In Attendance:**

**Councillors:** Cr Kellie O'Callaghan

**Officer/s:** Helen Taylor - Manager Community Health & Wellbeing  
Fiona Peaty - Health Admin (minute taker)

**Matter/s Discussed:** History Pin at the Library, Visit to Monash Positive Ageing Group, development of PARC promotional brochure, future guest speakers, development of questions for the Positive Ageing Plan review, Advertising of consultation,.

**Are the matters considered confidential under the Local Government Act:** NO

**Conflict of Interest Disclosures:** (refer 3. over page)

**Councillors:** NIL

**Officer/s:** NIL

**Times that Officers / Councillors left/returned to the room:**

**Completed by:** Helen Taylor – Manager Community Health & Wellbeing



### 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

**Assembly details:** Latrobe City Municipal Public Health and Wellbeing Plan (MPHWP)  
Project Reference Group

**Date:** 19 September 2013

**Time:** 14.00 – 15.30

**Assembly Location:** McFarlane Burnett Room, Traralgon Service Centre

### In Attendance:

**Councillors:** Cr Kellie O'Callaghan

**Officer/s:** Julie Kyriacou (Acting General Manager Community Liveability) Ronda Bruerton (Acting Manager Healthy Communities), David Lane (Acting Coordinator Healthy Communities) and Debbie Mitchell (Be ACTIVE Coordinator)

### **Matter/s Discussed:**

Latrobe City MPHWP – Overview and Update  
MPHWP Action Plan  
MPHWP Review and Evaluation Plan  
Future Work to Progress the Draft MPHWP

**Are the matters considered confidential under the Local Government Act:** NO

### Conflict of Interest Disclosures: (refer 3. over page)

**Councillors:** Cr O'Callaghan noted her role as Chair of the Board of Directors, Latrobe Regional Hospital and advised that based on the agenda presented there was no apparent conflict of interest to declare.

**Officer/s:** NIL

**Times that Officers/Councillors left/returned to the room:** N/A

**Completed by:** David Lane (Acting Coordinator Healthy Communities)



### 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:

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- (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

**Assembly details:** Traralgon CBD Safety Committee Meeting

**Date:** Thursday, 19 September 2013

**Time:** 9.08 am - 10.00 am

**Assembly Location:** Traralgon Police Station, Kay Street Traralgon.

**In Attendance:**

**Councillors:** Michael Rossiter

**Officer/s:** Steve Tong, Heather Farley, Andrew Legge

**Matter/s Discussed:** McDonalds Planning Permit, CCTV update, Action Plan Update, Taxi Services Report, LV Bus Lines Report, Victoria Police Report, Traralgon Chamber of Commerce Report, Latrobe City Update - Local Laws update, Multi-Level Car Park update, Urban Cleaning.

**Are the matters considered confidential under the Local Government Act:** NO

**Conflict of Interest Disclosures:** (refer 3. over page)

**Councillors:** NIL

**Officer/s:** NIL

**Times that Officers / Councillors left/returned to the room:** N/A

**Completed by:** Andrew Legge



### 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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#### **Brief Explanation:**

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

- Councillor Briefings;
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##### **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:

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- 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

**Assembly details:** Latrobe Tourism Advisory Board

**Date:** 2 October 2013

**Time:** 5.35pm

**Assembly Location:** Nambur Wariga meeting room, Latrobe City Council  
Head Quarters, Morwell

**In Attendance:**

**Councillors:** Cr Darrell White

**Officer/s:** Linda Brock, Rachel Callus, David Elder

**Matter/s Discussed:** QR project, TAB Objectives and Business & Events Partnership

**Are the matters considered confidential under the Local Government Act:** NO

**Conflict of Interest Disclosures:** (refer 3. over page)

**Councillors:** NIL

**Officer/s:** NIL

**Times that Officers / Councillors left/returned to the room:** N/A

**Completed by:** Rachel Callus





### Assembly of Councillors Record Explanation / Guide Notes

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

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#### **Brief Explanation:**

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

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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:

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**16.2 Proposed Road Discontinuance - Liddiard Road, Traralgon**

**General Manager**

**Governance**

**For Decision**

**PURPOSE**

The purpose of this report is for Council to consider the proposed discontinuance of part of Liddiard Road, Traralgon, and to seek Council's approval to commence the statutory process by giving notice of the proposal.

**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 - 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 2: affordable and sustainable facilities, services and recreation*

*Theme 3: Efficient, effective and accountable governance*

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

*Strategic Direction*

Ensure Latrobe City Council infrastructure and assets are maintained and managed sustainably.

*Legislation*

Local Government Act 1989

Section 206 and Schedule 10 Clause 3 of the *Local Government Act 1989* gives Council the power to discontinue roads:

"A Council may, in addition to any power given to it by Sections 43 and 44 of the *Planning and Environment Act 1987*-

**ORDINARY COUNCIL MEETING AGENDA  
21 OCTOBER 2013 (CM400)**

- (i) discontinue a road, or part of a road, by a notice in the Victoria Government Gazette; and
- (ii) sell the land from that road (if it is not Crown Land), transfer the land to the Crown or itself or retain the land.”

Both of these powers are 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 be heard are entitled to appear before a meeting of Council.

**BACKGROUND**

The Traralgon Transfer Station is located on Crown land, being Crown Allotments 4D2 and 4D3, Section A in the Parish of Loy Yang, as shown on the attached plan. (Attachment One)

This land, with an area of 11.79 hectares, is currently occupied by Council under an annual licence agreement pursuant to Section 138 of the *Land Act 1958* that commenced on 1 October 1999.

Prior to this date the land was used as a landfill site for at least forty years

Given the history of the site it is difficult to ascertain when part of the road reserve was incorporated into the facility however it is believed that, as the road was never constructed, the fencing was put in place to restrict access to the area surrounding the landfill / transfer station.

In August 2012, following a significant upgrade to the transfer station, Council made application to the Department of Environment and Primary Industries (DEPI) for a long-term lease agreement over the land occupied by the transfer station with the balance of the land remaining under the existing licence agreement.

As part of the assessment process the Office of the Surveyor General Victoria (SGV) inspected the site and undertook a survey to re-establish the boundaries of the crown allotments. During this process it was identified that part of the transfer station has been constructed on the road reserve. (Attachment Two)

The DEPI have therefore requested that Council undertake the statutory process to discontinue this section of the road reserve pursuant to Schedule 10, Clause 3 of the *Local Government Act 1989*. Once this has been done the land will vest in the Crown and can be incorporated into the proposed lease agreement.

**ISSUES**

The DEPI are unable to progress the lease of land to Council until the section of the road reserve on which part of the Traralgon Transfer Station is located has been formally discontinued.

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

It will therefore be necessary for Council to undertake the discontinuance of the road reserve pursuant to the *Local Government Act* 1989. Once this has been undertaken the land from the road reserve can be incorporated into the lease agreement that is being prepared.

The southernmost section of Liddiard Road is only used for access to the transfer station and the proposed discontinuance of this section of the road reserve will not have an adverse impact on access to any other properties.

If the proposed discontinuance is not undertaken it will be necessary for any infrastructure that has been placed in the road reserve to be relocated within the boundaries of the adjoining Crown land. This would incur a significant cost and require the transfer station to be closed while such works are undertaken.

### **FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management Plan 2011-2014.

As this is a statutory process with the aim of facilitating the lease of the land to Council there is unlikely to be any associated risks with the proposed discontinuance of the road reserve.

Costs associated with undertaking the statutory process are minimal, being the cost of public notices in the Latrobe Valley Express inviting submissions and, should Council resolve to discontinue the road, an order published in the Victoria Government Gazette.

### **INTERNAL/EXTERNAL CONSULTATION**

#### *Engagement Method Proposed:*

Public comment on the proposed road discontinuance will be sought via the following methods:

- Public notices placed in the Latrobe Valley Express
- Notice placed on-site
- Notice displayed at the Traralgon Service Centre and Corporate Headquarters
- Details placed on the Latrobe City Council website

#### *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 Council meeting.

### **OPTIONS**

Council may now resolve to either:

- Commence the statutory process to discontinue part of Liddiard Road adjoining the Traralgon Transfer Station pursuant to Section 206 and Schedule 10 Clause 3 of the *Local Government Act* 1989.

**ORDINARY COUNCIL MEETING AGENDA  
21 OCTOBER 2013 (CM400)**

- Not undertake the statutory process to discontinue part of Liddiard Road adjoining the Traralgon Transfer Station. This would require the relocation of the structures on the land to remove the encroachment from the road reserve.

**CONCLUSION**

The discontinuance of the section of Liddiard Road, Traralgon, adjoining the Traralgon Transfer Station is necessary to enable Council to finalise a lease agreement with the Department of Environment and Primary Industries for the facility.

It would therefore be reasonable for Council to commence the statutory process to discontinue this section of the road reserve by giving public notice of the proposal and inviting public comment.

**Attachments**

1. Attachment One: Traralgon Transfer Station - Crown Allotments 4D2 and 4D3, Section A, Parish of Loy Yang (DSE Licence No. 1505345)
2. Attachment Two: Plan prepared by the Office of the Surveyor General showing extent of enroachment onto Liddiard Road.

**RECOMMENDATION**

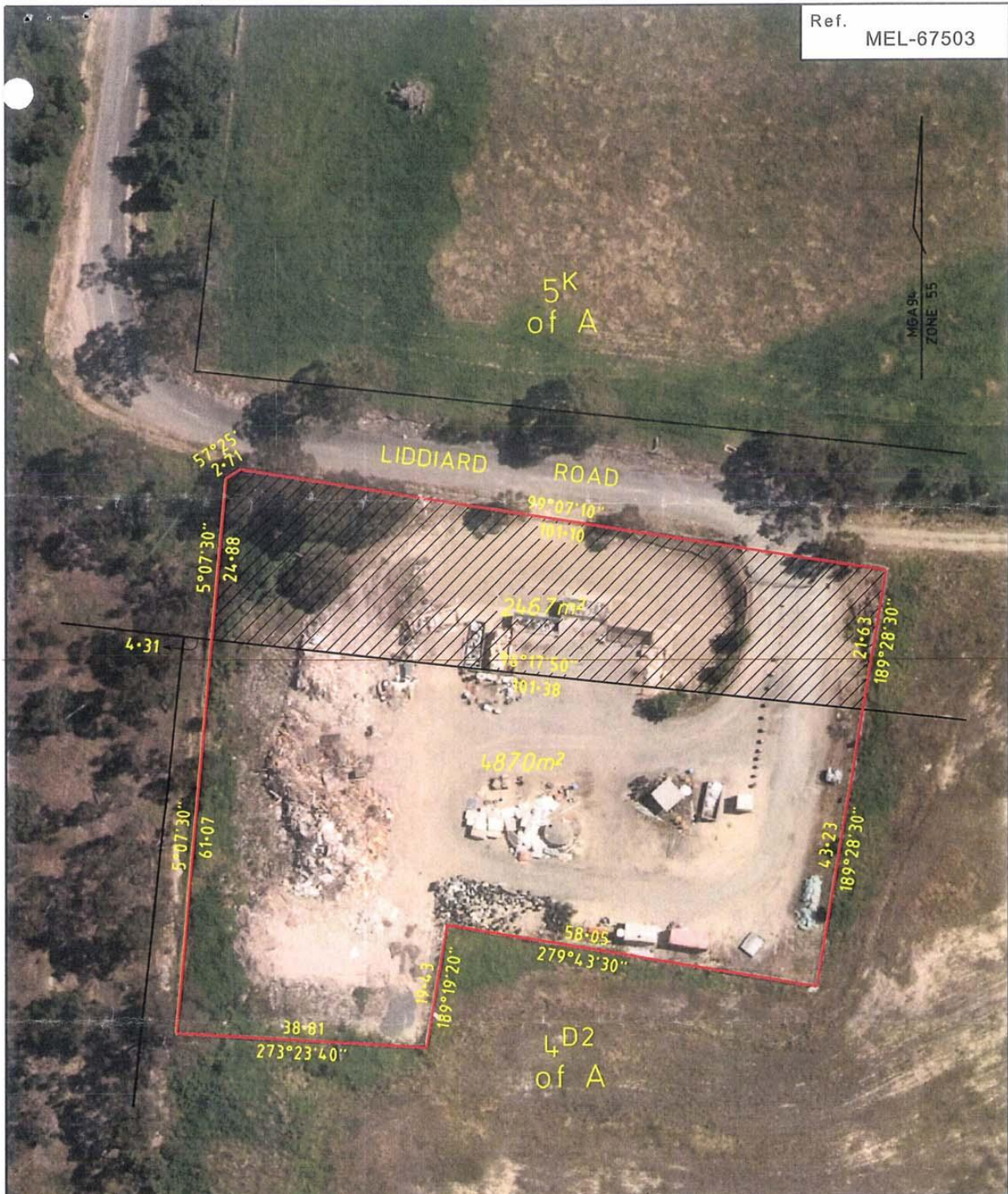
1. That Council gives public notice of its intention to consider the proposed discontinuance of part of Liddiard Road, Traralgon, pursuant to Section 206 and Schedule 10 Clause 3 of the Local Government Act 1989.
2. That Council considers any submissions received in relation to the proposed discontinuance of part of Liddiard Road, Traralgon, at the Ordinary Council Meeting to be held on Monday 2 December 2013.

## **16.2**

### **PROPOSED ROAD DISCONTINUANCE - LIDDIARD ROAD, TRARALGON**

- 1 Attachment One: Traralgon Transfer Station - Crown Allotments 4D2 and 4D3, Section A, Parish of Loy Yang (DSE Licence No. 1505345)..... 189**
- 2 Attachment Two: Plan prepared by the Office of the Surveyor General showing extent of encroachment onto Liddiard Road..... 191**





Ref. MEL-67503

MGA94  
ZONE 55

<b>PLAN OF SURVEY</b>	
<b>TRANSFER STATION LATROBE SHIRE COUNCIL 1 LIDDIARD ROAD, LOY YANG</b>	
ROBERT C. LUNDGREN LICENSED SURVEYOR DATE	SCALE 8 0 8 16 18 24 LENGTHS ARE IN METRES
OFFICE OF SURVEYOR-GENERAL VICTORIA DEPARTMENT OF ENVIRONMENT AND PRIMARY INDUSTRIES	ORIGINAL SCALE SHEET SIZE 1:800 A4
SHEET 1 OF 1	Plan No. LY/05.06.13



**16.3 Planning Permit Application 2013/139, Use and Development of Residential Hotel and Associated Car Parking, waiver of the Loading Requirement and Alterations to a Road Zone Category 1 at 10 Argyle Street and 51 - 57 Post Office Place, Traralgon**

**General Manager**

**Governance**

**For Decision**

**PURPOSE**

The purpose of this report is to determine Planning Permit Application 2013/139 for the use and development of a residential hotel and associated car parking, waiver of the loading bay requirement, and alterations to a road zone category 1 at 51-57 Post Office Place and 10 Argyle Street, Traralgon.

**DECLARATION OF INTERESTS**

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*

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.*

*Legislation –*

The discussions and recommendations of this report are consistent with the provisions of the Planning and Environment Act 1987 (the Act) and the Latrobe Planning Scheme (the Scheme), which apply to this application.

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

### **SUMMARY**

Land:	51-57 Office Place and 10 Argyle Street, Traralgon known as Crown Allotment 1 Section 4 Township of Traralgon and Lot 1 on TP 340320V
Proponent:	CEEJ Developments Pty Ltd
Zoning:	Commercial 1 Zone
Overlay	Nil

A Planning Permit is required in accordance with the following clauses of the Latrobe Planning Scheme (the Scheme):

- for the use of the site as a Residential Hotel pursuant to Clause 34.01-1 Commercial 1 Zone as the frontage at ground level exceeds two metres;
- for buildings and works pursuant to Clause 34.01-4 Commercial 1 Zone;
- for a Category 2 type business identification sign pursuant to Clause 52.05-7; and
- to waive the requirements for a loading bay pursuant to Clause 52.07 Loading and Unloading of Vehicles.
- a permit is required to alter an access onto a Road Zone Category 1 pursuant to Clause 52.29.

### **PROPOSAL**

The proposal seeks approval for the use and development of a residential hotel (including ancillary conference and cafe uses), to provide car parking to the satisfaction of the Responsible Authority, waiver of loading bay requirements and alteration of access to a Road Zone, Category 1.

The proposal comprises the development of a 4 storey residential hotel for Quest Serviced Apartments.

The key features of the proposal comprise:

#### **Ground level**

- The removal of 2 existing vehicle crossovers from the Princes Highway.
- The construction of a vehicle crossover from Post Office Place, located near the north west corner of the site.
- An at grade car park for 55 vehicles to the west of the building.
- A total of 8 bike spaces are provided between the raised planters and the west wall of the office.
- A reception area comprising of a lobby, office and waiting area located to the west of the main entry.

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

- Other staff areas comprise housekeeping, laundry, storage, waste area, maintenance area and kitchen at ground level.
- An ancillary cafe with a floor area of 93 square metres is proposed to the east of the main entry and is available for guests.
- An ancillary conference room for the exclusive use of guests with a floor area of 137 square metres.
- An ancillary gym for exclusive use of guests.

### **First to third floor**

- 3 x 2-bedroom serviced apartments per floor
- 11 x 2-bedroom (twin key) serviced apartments per floor (ie 2 separate 1 bedroom serviced apartments with lockable connecting door) 1 x 3-bedroom serviced apartments per floor
- Total of 78 individual serviced apartments (or 45 serviced apartments when twin key apartments are combined)

Each serviced apartment is provided with a balcony accessible from a living area, ranging in size from 3 square metre to 10 square metre. Balconies have a minimum depth of 1.2 square metres and a minimum width of 2.9 metres.

### **Height and Setbacks**

The 4 storey building has a maximum height of 15.4 metres. The following setbacks apply:

Ground 1st to 4th Floor

- North - 3.5 metres • North - 0.9 metres
- South - 2.6 metres • South - 2.6 metres
- East – 0 metres • East – 0 metres
- West - 11.9 metres • West - 10.3 metres (11.2 metres at 2<sup>nd</sup> floor)

### **Signage**

A total of 2 business identification signs are proposed. The 'lettered' signs are to read "Quest Traralgon" and are to be located on the north and east elevation. The signs are internally illuminated and are 1.39 metres wide, 3.95 metres high with a depth of 20 centimetres.

### **Built form**

The building is sited and designed to address both frontages of Post Office Place and Argyle Street. By being built to the boundary of the eastern and northern sides of the site reinforces the street edge of Post Office Place as a key axis into the town centre. The building is sited to provide activated street frontages at ground level and informal surveillance from the upper levels. The ground floor is 'indented' around the lobby and cafe identifying the entry to the building and to allow for outside dining adjacent to the generous north facing road reserve.

Each level of the building is serviced by 2 lifts and 2 stair cases ensuring vertical circulation throughout the building. The colours proposed to be used are predominantly green, black and grey. Materials include, among other things, painted light weight cladding, hardwood timber blades and concrete finishes.

**Car parking and access**

The proposal also includes the removal of 2 vehicle crossovers from Argyle Street and the provision of 55 car parking spaces. The car parking area is only visible from the Post Office Place frontage and access will be provided off Post Office Place via new 6.4 metre crossover.

More specific detail regarding the design of the proposal is outlined in the Issues section of this report

Refer to Attachment 1 for a copy of the plans of proposed development.

**Subject Land:**

The subject site has an area of 2875 square metres and is bounded to the north by Post Office Place, the west by Manny's Market, the south by the Latrobe Community Health Service and the east by Mills Street/Argyle Street and Victory Park beyond. Methodist Lane to the west of the site and provides vehicle access to the rear of properties to the north west and south west of the site. Methodist Lane is one way onto Seymour Street.

The site topography has been built up from natural ground level at the north end and falls away to the centre of the site with the central portion depressed some 1 to 1.4 metres from the south and north boundaries respectively. The built up portion of the site extends to the north beyond the title by approximately 5 metres and is bounded by a low stone retaining wall.

An unoccupied single storey brick house (to be demolished) occupies the southern portion of the site while recent demolition of a brick building occupying the northern end of the site has left the remaining ground clear.

The subject site is rectangular and has a frontage of 71.68 metres frontage onto Argyle Street and 40.23 metre frontage to Post Office Place. There are no easements encumbering the site however there are sewerage assets and drainage assets onsite. Two crossovers provide access to the site from Argyle Street. A pedestrian footpath is located along the perimeter of the site along Argyle Street and Post Office Place.

**Surrounding Land Use:**

Land along Post Office Place is used for a multiple of use including single and two storey retail and office buildings. This also includes Stockland Plaza which is directly north of the subject site and Mannys Market and Aldi due west of the site. Directly east of the subject site is Victory Park. To the south and south west of the subject site there is also a range of retail and office uses. Directly south of the subject site is Latrobe Community Health Services and 150 metres away south west of the subject site is Seymour Street Public Car Park.

Refer to Attachment 2 for a locality plan.

### **HISTORY OF APPLICATION**

The history of the assessment of the planning permit application is set out in Attachment 3.

The provisions of the scheme that are relevant to the subject application have been included in Attachment 4.

### **LATROBE PLANNING SCHEME**

#### **State Planning Policy Framework**

The proposal has been considered against the relevant clauses under the State Planning Policy Framework.

Clause 11.01-2 Activity Centre Planning encourages the concentration of major retail, residential, commercial, administrative, entertainment and cultural developments in activity centres to provide a variety of land uses which are highly accessible to the community.

Strategies to achieve this include:

- *Provide a focus for business, shopping, working, leisure and community facilities.*
- *Encourage economic activity and business synergies.*
- *Improve the social, economic and environmental performance and amenity of the centre.*

Clause 11.05-1 Regional settlement networks aims 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 is identified as a major regional city where urban growth should be directed.

Clause 15.01-1 'Urban Design' requires development to respond to its context in terms of urban character, cultural heritage, natural features, surrounding landscape and climate.

The objective of Clause 17.01-1 Business is "*to encourage development which meets the communities' needs for retail, entertainment, office and other commercial services and provides net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities*". One strategy listed to achieve this is to "*locate commercial facilities in existing or planned activity centres*".

Clause 17.03-1 Facilitating Tourism has a stated objective '*To encourage tourism development to maximise the employment and long-term economic, social and cultural benefits of developing the State as a competitive domestic and international tourist destination*'

## **Local Planning Policy Framework**

### Municipal Strategic Statement (Clause 21)

The proposal has been considered against the relevant clauses under the Local Planning Policy Framework.

Clause 21.04 Built Environment Sustainability recognises the towns of Moe, Morwell, Traralgon and Churchill as having their own unique characteristics which contribute to their local sense of place and provide diversity. Each town has developed its own role and function with Traralgon identified as being the commercial centre of Latrobe City.

Clause 21.04-5 Urban Design Overview has the objective *“to provide a visually attractive urban environment which displays a high level of civic pride and community satisfaction, and creates a positive image”*.

Strategies to achieve this include:

- *Promote and support high quality urban design within the built environment.*
- *Continue to improve the urban design elements of urban areas throughout the municipality and to upgrade degraded areas.*

Clause 21.05-2 has the stated objective *“to provide the flexibility for development to occur in each town to accommodate the needs of its population as well as to contribute to the municipal networked city”*.

Clause 21.05-6 Specific main town strategies – Traralgon shows the site located in the Traralgon Primary Activity Centre on the Traralgon Structure Plan. The clause lists the following relevant strategies for commercial development:

- *Establish neighbourhood clusters in key locations as outlined in the Traralgon Structure Plan and encourage basic goods, services, community services and facilities in these clusters.*
- *Encourage the development of new retail, office and residential mixed use developments within Traralgon Primary Activity Centre (Area 4) and Argyle Street.*
- *Encourage increased densities and vertical growth of Traralgon’s town centre to support the growth of the office sector.*

Although not adopted by Council the Draft Traralgon Activity Centre Plan (TACP) aims to plan for the future growth of the Traralgon town centre over the next 20 years. A draft Key Directions Report has been developed containing 18 key directions.

Clause 21.07-9 Tourism Overview has a strategy *“to strengthen the attraction of Latrobe City as a conference and major events destination”*.

## **Zoning**

The site is located within a Commercial 1 Zone and is not subject to any overlays. The purpose and decision guidelines of the Commercial 1 Zone have been taken into account as part of the assessment of this application and it is considered that the application complies with the zoning provisions.

These elements will be further discussed in the 'Issues' section of this report.

## **Particular Provisions**

### Clause 52.05 Business Identification Signage

Pursuant to Clause 52.05-7 a permit is required for Section 2 type business identification signage. A total of 2 business identification signs are proposed. The 'lettered' signs are to read "Quest Traralgon" and are to be located on the north and east elevation. The signs are internally illuminated and are 1.39 metres wide, 3.95 metres high with a depth of 20 centimetres. The signs are white acrylic with internally illuminated wording.

### Clause 52.06 Car Parking:

The proposal is for the use and development of the land for a residential hotel. Car parking for a particular use is set down at Table 1, Clause 52.06-5. The proposed use for 'Residential Hotel' is not a specifically nominated use under Table 1 Clause 52.06-5. As there is no set car parking rate for a "Residential Hotel" it is up to the responsible authority (ie Council) to decide whether the proposed number of car spaces provided onsite is sufficient for the proposal.

The applicant has provided a traffic report to support the proposal and the provision of 55 spaces onsite. The applicant has also provided a response to the submission received in the form of an objection

See Attachments 5 and 6 and for a copy of the Traffic Assessment by Cardno Group and a response to the objector concerns.

### Clause 52.07 Loading and Unloading of Vehicles

A loading bay is required for the retail component of the proposal pursuant to Clause 52.07 however it is proposed to waive this requirement for the proposed development.

### Clause 52.29 Land adjacent to a Road Zone Category 1 or a Public Acquisition Overlay for a Category 1 Road

Clause 52.29 sets down the provisions for the creation or alteration of an access to land adjacent a Road Zone 1 (RDZ1). Argyle Street (Princess Highway) to the east of the site is a RDZ1.

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### Clause 52.34 Bicycle Facilities

Clause 52.34 sets down the provision for bicycle facilities. The proposed use for residential hotel is not a specifically nominated use in Table 1 to Clause 51.34-3. It is considered that bicycle parking spaces for a motel are the nearest land use approximation to the proposal.

A total of 8 bicycle spaces are proposed to be provided.

### **Decision Guidelines** (Clause 65):

The relevant decision guidelines have been considered as part of the assessment of this application.

### **Incorporated Documents** (Clause 81):

- Australian Standard AS/NZS 2890.1:2004, Parking Facilities – Offstreet car parking, Standards Australia 2004
- Australian Standard AS2890.3-1993, Parking Facilities Part 3: Bicycle parking facilities, Standards Australia 1993
- The Traralgon Civic Precinct Plan, Latrobe City, 5 July 2004

### **ISSUES**

#### Strategic direction of the State and Local Planning Policy Frameworks:

The proposal is considered to be consistent with the strategic direction of the State and Local Planning Policy Frameworks. The proposed commercial building would be suitably located as the Traralgon Primary Activity Centre is a focus for business, shopping, working, leisure and community facilities. The proposal will provide for service residential development suited for both corporate and tourism needs

The *Draft Traralgon Activity Centre Plan Key Directions Report* (September 2011) has a number of relevant directions in the assessment of this proposal.

- Create a Princes Highway boulevard:

To achieve this direction it is detailed to encourage taller, hard edged built forms to be developed along the highway edges as it passes through the town centre which can facilitate the transition in roles expected over time. It also encourages upper level residential to be developed overlooking Victory Park. The proposal creates a building edge along its eastern boundary onto the Argyle Street/Princes Highway frontage while also having apartments facing onto Victory Park. It also provide 'a skin' of active uses on both the northern frontage (café and reception area) and gym, function centre and individual balcony areas facing onto Victory Park.



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- Encourage a strong urban form that responds to the public realm and regional character

This direction seeks to not only infill the gaps but to encourage vertical growth that reflects the 'CBD' type function that the centre plays within the wider region. However, such development needs to respond to not only the regional character of the activity centre, by ensuring additional height is directed to suitable locations, but also responds to valued characteristics in the activity centre. The subject proposal is a 4 storey building which is setback appropriately from adjoining properties to south and west. It also provides significant landmark building and acts as marker to the entrance point of Traralgon CBD.

The proposed development is also considered to be consistent with the draft strategic direction for the Traralgon activity centre as outlined in draft key directions report which aims to protect and promote the role of Traralgon activity centre as the pre-eminent commercial centre for the region. The proposal supports the consolidation of the town centre through the redevelopment of a major site with a four storey building with integrated car parking; and the building design is considered to be one which appropriately and adequately responds to the public realm and regional character of Traralgon.

It is noted that whilst the TACP project is in draft form and not adopted by Council, it has been the subject of extensive community consultation and the contents of the Key Directions report are considered to be of relevance in the assessment of this planning application.

'Purpose' and 'Decision Guidelines' of the Commercial 1 Zone:

The proposal satisfies the purpose of the Commercial 1 Zone as it would provide 78 apartments, a cafe of 90 metres squared, and ancillary conference room of 139 metre squared in the Traralgon Primary Activity Centre in a four storey building in a zone where the intensive development of business centres is encouraged.

The proposal also satisfied the decision guidelines of the zone as follows:

- The existing uses surrounding the site comprise retail and office premises. As such the proposed use of the site for a residential hotel would be compatible with the surrounding land uses in this part of the Traralgon Activity Centre by providing accommodation for corporate and tourism requirements.
- There is adequate provision for the movement of pedestrians and vehicles to and from the site with both pedestrian and vehicle access provided from the Post Office Place frontage.
- A designated waste bin storage area would be provided on the ground floor of the building within the car parking area. A waste management plan will be a condition of any permit issued.

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- 55 car parking spaces and 8 bicycle spaces are proposed to be located within the site. An assessment of the provision of car parking is provided later in this report.
- The proposal would provide an active street frontage with active uses facing along both Argyle Street (gym and function centre for residents) and Post Office Place (café and reception area).

Materials have been selected for quality, durability and thermal performance. The façade material colour scheme contrasts the flat texture finish of larger wall surfaces generally with the smooth, more reflective decorative composite panel elements which feature on the east, west and north facades. The feature colours of the composite panels will allow for the structure to be a recognisable element of the streetscape for vehicular movements in both directions along the Princes Highway.

The overall height of the building should not impact on the amenity of adjoining properties which comprise commercial premises and does not exceed the identified maximum building heights identified for this area as outlined the Draft Traralgon Activity Centre Plan (built form and activity). The site is also connected to all required services.

The proposal is therefore considered to be appropriate for the site and satisfies the requirements of the Commercial 1 Zone.

#### Design and Built Form

Given the location of the site and at entrance point to the Primary Activity Centre, directly opposite Victory Park and a site that runs along the western side of the Princes Highway, a key objective for this proposal was to achieve a design and built form that recognised the sites strategically important location.

Due to the importance of the site, the Office of the Victorian Government Architect (OVGA) was asked to prepare a review of the proposal. The following were there key points of their review:

- Extending the building footprint along the northern edge of the site to reinforce the street edge of Post Office Place

#### Officer Comment:

While this would be a desirable outcome, there are no mandatory requirements on the applicant to address this design advice. The applicant has detailed that to provide sufficient service vehicle clearance below the first floor at the vehicle entry to the site the first floor level would need to be lifted by approximately 1.2 metres, an extra cost that could not be justified. While the applicant detailed that the northern frontage of the building was important, the key frontage of the proposal was to the east overlooking Victory Park.

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- Concerns over the monolithic built form

**Officer Comment:**

While the applicant does not agree that the proposal was 'monolithic', the applicant has addressed this issue previously through setting back the southern end of the building from the street and modifying the façade treatment and making further revisions to the eastern and northern elevations using vertical and horizontal composite panel cladding to break up the building line. It is considered that this gives the appearance that the building has been broken up into four separate sections along the eastern frontage.

- Concerns that the design did not address the 'gateway' role of this important corner site

**Officer Comment:**

As a result of these identified concerns the applicant has introduced larger balconies to the three corner apartments along the northern side of the building and framed them in a vertical stack and integrated the vertical timber café screen into the composition. It is considered that this gesture gives the corner a dominant feature which may be read as a 'gateway'.

- A restrained and localised application of Quest corporate colours and signage

**Officer Comment:**

The applicant has reviewed the building signage and significantly reduced the size of the lettering. Signage is now placed on its primary facades. Colours are also now more muted while still considered to draw positive attention to the building.

- Greater landscaping within the site to soften the visual impact of the car park

**Officer Comment**

The applicant has noted that further landscaping would improve the proposal, and to provide it without impacting on the parking provision they have proposed two initiatives. The first is to build a 'green wall' along the western boundary to both screen the existing precast concrete wall of the adjacent building and to visually soften the parking area. This wall would consist of vertical timber elements with a galvanised trellis climbing frame for a plant species to be selected.

The second initiative is to provide a landscape solution to the council road verge which is very generous immediately to the north of the site. This would require approval of and cooperation with Council and VicRoads.

The overall design of the proposal including materials and finishes that are considered to be an architectural response of merit which encompasses environmentally sustainable design principles and contemporary

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architectural design which would add vibrancy to the streetscape. The building design achieves best practice environmental standards and a 6 star 'NatHERS Energy Rating'.

### Car Parking

'Residential hotel' is not a specified use under the Latrobe Planning Scheme, which states that "*When a use is not specified in the table at Clause 52.06-5, an adequate number of car spaces must be provided to the satisfaction of the responsible authorities*".

The nearest land use to the proposal for which the Planning Scheme specifies a parking rate is considered to be a 'motel'. Clause 52.06 of the Latrobe Planning Scheme specifies the following parking provision requirements for Motel:

- 1 space to each unit
- 1 space to each manager dwelling
- 50 per cent of the relevant requirement of any ancillary use

It is noted that the dual key apartments could operate as two single dwellings (as they are provided with a separate access to the common areas and a separate bathroom)

With regard to the ancillary components such as cafe, office and conference facilities, Clause 52.06 states the statutory parking requirements which are identified in the table below

Component	Land Use	Rate	Car Parking Measure
Café	Food and drink premises other than listed in this table	4	to each 100 sq m of leasable floor area
Reception/Office	Office	3.5	to each 100 sq m of net floor area
Conference	Place of assembly	0.3	0.3 to each patron catered for

Application of the Planning Scheme rates for a 'motel' to the proposed residential hotel development is summarised in table below.

Component	Quantity	Rate	Spaces
1 Bedroom	33	1 per dwelling	33
Dual Key Studio	33	1 per dwelling	33
2 Bedroom	9	1 per dwelling	9
3 Bedroom	3	1 per dwelling	3
<b>Sub-Total Dwellings</b>	<b>78</b>		<b>78</b>
Cafe	88 m <sup>2</sup>	(4 per 100 m <sup>2</sup> )/2	2
Conference	135 m <sup>2</sup> (assuming 50 patrons)	(0.3 per patron)/2	8
Reception + Office	58 m <sup>2</sup>	(3.5 per 100 m <sup>2</sup> )/2	1
<b>Sub-Total Ancillary</b>			<b>11</b>
<b>Total</b>			<b>89</b>

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A review of the table above identifies that if the definition of Motel was used 89 spaces would be required.

*Car parking provision assessment*

As detailed previously, the proposed land use as 'Residential Hotel' is not a specified use under the Latrobe Planning Scheme and as a result car parking must be provided to the satisfaction of the Responsible Authority.

It is noted that the Café may be utilised by the public, however it is noted that the associated conference, office and gym facilities will be made available for use by Quest guests only.

Clause 52.06-5 specifies a rate of 4 spaces per 100 square metres for a 'Food & Drink premises', application of this rate to the 110 metres squared of Café (including outdoor seating) would result in a statutory requirement for 4 car spaces.

The applicant has provided an empirical assessment of the likely car parking demands of the site given that the proposed use is not defined under the Planning Scheme. The key aspects of that assessment are set out below.

- ABS Census Data

The ABS data for hotels, motels and serviced apartments with 5 or more rooms in the municipality of Latrobe over the past 3 years reveals a slight downward trend in average occupancy rates, from 49.7% (2007/2008) to 46.2% (2009/2010). Further review of ABS data indicates the peak occupancy rates for the 2009-2010 (most recent) period occurred in May when around 56% of tourism accommodation was occupied.

- Quest Serviced Apartments

A total of 78 serviced apartments are proposed on the site although notably the majority of apartments are 'dual key' which operate with a 1 one-bedroom apartment adjacent a studio apartment and can be linked as part of a booking.

The analysis of the traffic report has been undertaken assuming that the dual key apartments are leased separately, totally 78 apartments on-site.

The applicant has outlined that it is the experience of Quest that the dual key arrangement whilst increasing occupancy numbers, generally results in shared transport to the site due to the intimate and proximal locations of the room entries.

Cardno have sourced case study data from a wide range of established Quest serviced apartment sites, which surveyed car parking demands for both staff and visitors.

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Additionally, the Quest site review included ancillary facilities which are similar to the proposal. See table below with an analysis car parking occupancy rate.

	Single Units	Dual Key Units	Total Units	Peak Parking Demand	Time	Parking Rate / Occupied Unit
Quest Geelong	19	8	35	29	Mon, 11am	1.11
Quest Dandenong	26	4	34	19	Sat, 11pm	0.55 <sup>1</sup>
Quest Townsville	0	69	138	127	Sat, 7:30pm	0.68
Quest Ascot	25	12	49	13	Sun, 11am	0.46
<b>Average</b>						<b>0.70</b>

The provision of 55 on-site car parking spaces is equivalent to 0.71 spaces per apartment which is in excess of the surveyed peak parking rate even if the proposed development was to operate at 100% occupancy.

#### *Seymour Street Off-Street Carpark*

A publicly accessible off-street car park is located at 19-23 Seymour Street, approximately 200 metres walking distance to the west. The car park has two hour parking, all day car parking and permit parking over three levels.

#### *Public Transport*

The site is approximately 450 metres from the Traralgon Railway Station and a total of 10 bus services operate within close proximity of the site..

#### *Conclusion:*

Given the above, the applicant has justified the car parking rate applied with an empirical assessment. It is considered that the number of car parking spaces for the development is considered to be satisfactory for the following reasons:

- The location of the subject site within the Traralgon Activity Centre;
- The location of the site with respect to efficient public transport; and
- The provision of car parking onsite is in excess of the anticipated peak car parking demand as assessed against other quest developments.

In the application that is the subject of this report, the proposal is for use and development that is of strategic and economic importance to the Traralgon Activity Centre.

Given the above, it is considered that the proposed development satisfies the purpose and decision guidelines of Clause 52.06 Car Parking as the proposed provision of car parking would be appropriate for the use and development of the site as proposed.

#### Loading Bay Waiver

Clause 52.07 requires that where there is to be the sale of goods or materials there should be adequate provision for the loading and unloading of vehicles.

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Therefore a loading bay is required for the retail tenancy of the proposal unless Council is satisfied that this can occur effectively off site.

The applicant has submitted that a waiver of this requirement is appropriate. It is noted that the cafe component of the site is ancillary to the proposed serviced apartments which would not generate a requirement for loading. Notwithstanding the above, it is considered acceptable for a waiver of the on-site loading requirement given the small size of the cafe and the infrequent deliveries anticipated. Deliveries to the site are expected to be via passenger vehicle or small van in which in this instance it is considered that the on-site car parking area is suitable to accommodate any short-term loading requirements.

**Submissions**

As a result of the notification process, the application received a single objection. The issues raised in the objection were as follows:

1. The terminology of a 'Residential Hotel' in this application is incorrect and implies a different use as to what this building will operate as and be used for. This building will be operated, used and advertised as a motel.

**Officer Comment:**

Clause 74 defines a 'Motel' use as, "*Land used to provide accommodation in serviced rooms for persons away from their normal place of residence, and where provision is made for parking guests' vehicles convenient to the rooms.*"

The key terms for this definition have been underlined. This definition defines a 'Motel' as an accommodation type that a guest is able to park their car in front of with only a few metres to traverse to their room. Furthermore this particular use is for accommodation only.

Conversely a 'Residential Hotel' is defined by Clause 74 as, "*Land used to provide accommodation in serviced rooms for persons away from their normal place of residence. If it has at least 20 bedrooms, it may include the sale of liquor for consumption on, or off, the premises, function or conference rooms, entertainment, dancing, amusement machines, and gambling.*"

This definition accurately describes the proposed land use. The proposal contains more than 20 rooms and has ancillary uses such as a conference room and café for the use of guests only. Therefore it is considered that the proposed land use can be more accurately defined as a 'Residential Hotel' rather than as a 'Motel'.

2. Lack of sufficient on and off site car parking for guests, staff, management, deliveries and visitors.

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The issue regarding car parking provision has been discussed at length earlier in this report. As there is no set car parking rate for the use of 'Residential Hotel' it is up to Council to decide whether the proposed 55 on site car spaces are sufficient for the proposal.

It considered that 55 spaces are sufficient for this proposed development. The Traffic and Transport Assessment prepared by Cardno and dated 31 May 2013 and their additional advice dated, 13 September 2013 has been assessed and it is considered that car parking provision has been adequately addressed and provided as part of this proposal.

3. There is no option for vehicles to legally turn right when exiting the development nor is there an option for vehicles to enter the site by turning right in Post Office Place.

Officer Comment:

It is acknowledged that given the current layout of Princes Highway / Post Office Place, that development traffic would be restricted to turn left in and left out from Post Office Place.

Development traffic wishing to depart to the south on Princes Highway will do so via (most likely) Post Office Place – Franklin Street – Seymour Street – Princes Highway. It is noted that this would be necessary regardless of the access arrangement as the intersection of Princes Highway / Post Office Place does not permit traffic to turn right from Post Office Place to Princes Highway.

The level of traffic generated by the development is not considered to be significant in traffic engineering terms and will not have a noticeable impact of the surrounding streets. The application has been considered by both Councils Engineering Department and VicRoads who have no objection to the proposal subject to appropriate conditions.

**FINANCIAL, RISK 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).

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management Plan 2011-2014.

**INTERNAL / EXTERNAL CONSULTATION**

*Engagement Method Used:*



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The application was advertised pursuant to Section 52(1)(a) and Section 52(1)(d) of the Act. Notices were sent to all adjoining and adjacent landowners and occupiers, an A3 notice was displayed on the site frontage for 14 days and a notice placed in the Latrobe Valley Express for two issues. 1 objection to the application was received.

Refer to Attachment 7 for a copy of the objection.

External:

The application was referred pursuant to Section 55 of the Act to the Public Transport Victoria and VicRoads, who did not object to the grant of a permit subject to conditions. Pursuant to Section 52(1)(d) the Gippsland Water were also notified of the application. They also had no objection subject to conditions.

Internal:

Internal officer comments were sought from Council's Infrastructure Planning Team and Strategic Planning who gave consent to the granting of a planning permit subject to appropriate conditions and notes.

**OPTIONS**

Council has the following options in regard to this application:

- 1 Issue a Notice of Decision to Grant a Planning Permit.
- 2 Issue a Refusal to 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 proposal is considered to be:

- Consistent with the strategic direction of the State and Local Planning Policy Frameworks;
- Consistent with the 'Purpose' and 'Decision Guidelines' of the Commercial 1 Zone; and
- Consistent with relevant Particular Provisions and Clause 65 (Decision Guidelines).

The proposal is considered to be a suitably located, high quality architectural design that would provide a commercial residential in the Traralgon Activity Centre. The proposal is of strategic and economic importance to Traralgon and would enhance Traralgon's position as the leading commercial centre in Latrobe City.

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### Attachments

1. Plans (Published Separately)
2. Locality plan
3. History of the assessment of the application
  4. Latrobe Planning Scheme provisions
  5. Traffic Assessment by Cardno Group
  6. Response to objection by Cardno Group
  7. Copy of objection

### RECOMMENDATION

- A. That Council issues a Notice of Decision to issue a planning permit for the use and development of a residential hotel associated car parking , waiver of loading bay requirements and alteration of access to a Road Zone, Category 1 at 51-57 Office Place and 10 Argyle Street, Traralgon known as Crown Allotment 1 Section 4 Township of Traralgon and Lot 1 on TP 340320V with the following conditions:**
1. The use and development as shown on the endorsed plans must not be altered without the written consent of the Responsible Authority.
  2. Prior to the commencement of any works hereby permitted,
    - a) The titles to the land to which this permit applies must be consolidated to ensure that the land comprising all buildings, car parking and vehicle access ways allowed by this permit are contained within a single title, and
    - b) A new drainage easement in favour of Latrobe City Council must be created to the satisfaction of the Responsible Authority, across the subject land to provide for the drainage of Methodist Lane located to the west of the land.
  3. The use and development must be managed so that the amenity of the area is not detrimentally affected, through the:
    - a) transport of materials, goods or commodities to or from the land;
    - b) appearance of any building, works or materials;
    - c) emission of noise, artificial light, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, grit or oil;
    - d) presence of vermin;

or otherwise, to the satisfaction of the Responsible Authority.

4. Upon completion of the works, the site must be cleared of all excess and unused building materials and debris to the satisfaction of the Responsible Authority.
5. Once building works have commenced they must be completed to the satisfaction of the Responsible Authority.
6. All buildings and works must be maintained in good order and appearance to the satisfaction of the Responsible Authority.
7. Prior to the commencement of any works, a landscape plan must be submitted to and approved by the Responsible Authority. The plan must show:
  - a) a survey (including botanical names) of all existing vegetation to be retained and/or removed;
  - b) buildings and trees (including botanical names) on neighbouring properties within three metres of the boundary;
  - c) details of surface finishes of pathways and driveways;
  - d) a planting schedule of all proposed trees, shrubs and ground covers, including botanical names, common names, pot sizes, sizes at maturity, and quantities of each plant;
  - e) landscaping and planting within all open areas of the site;
  - f) details of landscaping to be provided within the council road reserve to the north of the site; and
  - g) details regarding the 'green wall' to be located along the western boundary.

All species must be selected to the satisfaction of the Responsible Authority.

When approved, the plan will be endorsed and will then form part of the permit. The plan must be drawn to scale with dimensions and three copies must be provided.

8. Prior to the occupancy of the development or by such later date as is approved by the Responsible Authority in writing, the landscaping works shown on the endorsed plans must be carried out and completed to the satisfaction of the Responsible Authority.
9. The landscaping shown on the endorsed plans including within the road reserve must be maintained to the satisfaction of the Responsible Authority, including that any dead, diseased or damaged plants are to be replaced.
10. Prior to the commencement of any works, a tree protection fence must be erected around the tree to the north of the subject site within the road reserve. The fence must be constructed of to the satisfaction of the Responsible Authority. The tree protection fence

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must remain in place until construction is completed. The ground surface of the Tree Protection Zone must be covered by a 100 mm deep layer of mulch before the development starts and be watered regularly to the satisfaction of the Responsible Authority.

11. Construction works on the land must be carried out in a manner that does not result in damage to existing Council assets and does not cause detriment to adjoining owners and occupiers, to the satisfaction of the Responsible Authority.
12. The location and details of the signage, including those of any supporting structure, as shown on the endorsed plans, must not be altered without the written consent of the Responsible Authority.
13. The sign lighting must be designed, baffled and located to the satisfaction of the Responsible Authority to prevent any adverse effect on adjoining land.
14. The approval contained in this permit for the signage shown on the endorsed plans expires 15 years from the date of this permit. (NOTE: This is a condition requirement of the State Government).
15. Prior to the commencement of any works hereby permitted, the operator of this permit must:
  - a) Arrange the removal of the street tree (including the stump) in Post Office Place on the northwest corner of the development by a contractor approved by the Responsible Authority. Seven (7) days notification must be given to Latrobe City Council's Supervisor Arborist before the commencement of any tree removal works.
  - b) Pay \$180 to Latrobe City Council for the planting of an appropriate replacement street tree.
16. Before works commence on the development hereby permitted, a site drainage plan including levels or contours of the land and all hydraulic computations must be submitted to and approved by the Responsible Authority. When approved, the plan will be endorsed and will then form part of the permit. The plan must be drawn to scale with dimensions and an electronic copy (PDF) must be provided. The drainage plan must be prepared in accordance with the requirements of Latrobe City Council's Design Guidelines and must provide for the following:
  - a) A drainage system providing for all stormwater discharging from the site, including from all buildings, car parks and vehicle access areas, to be conveyed to the legal point of discharge. The drainage system must be designed to take the 1 in 20 year ARI storm event.

**ORDINARY COUNCIL MEETING AGENDA  
21 OCTOBER 2013 (CM400)**

- b) **An underground pipe drainage system conveying stormwater from the legal point of discharge and connecting into Latrobe City Council's stormwater drainage system.**
  - c) **An underground pipe drainage system conveying stormwater from the end of Methodist Lane across the subject land and connecting into Latrobe City Council's stormwater drainage system.**
  - d) **Provision of over-land surcharge routes and cut-off drains and associated infrastructure for the safe and effective passage of stormwater flows arising from areas upstream of the subject land including from Methodist Lane for all storm events greater than the 1 in 20 year event and up to and including the 1 in 100 year ARI storm event.**
- 17. Before the use commences of the building hereby permitted, or by such later date as is approved by the Responsible Authority in writing, the following works must be completed in accordance with the endorsed plans and to the satisfaction of the Responsible Authority including all necessary permits being obtained and inspections undertaken:**
- a) **All drainage works must be constructed in accordance with the approved site drainage plan.**
  - b) **The areas shown on the endorsed plans for vehicle access and car parking must be constructed to such levels that they can be used in accordance with the approved plans including surfacing with an all-weather sealed surface, drained, line marking to indicate each car space and all access lanes; and clearly marked to show the direction of traffic along access lanes and roadways.**
  - c) **All proposed vehicle crossings must be constructed in accordance with the endorsed plans, at right angles to the road and must comply with the vehicle crossing standards set out in Latrobe City Council's Standard Drawing LCC 307.**
  - d) **All redundant vehicle crossings must be removed and kerb and channel, naturestrip and footpath reinstated.**
- 18. Where proposed, all lighting used to externally illuminate buildings, works and uses shall be fitted with cut-off luminaries (baffles), so as to prevent the emission of direct and indirect light onto adjoining roadways, land and premises to the satisfaction of the Responsible Authority.**

**ORDINARY COUNCIL MEETING AGENDA  
21 OCTOBER 2013 (CM400)**

19. Appropriate measures must be implemented throughout the construction stage of the development to rectify and/or minimise mud, crushed rock or other debris being carried onto public roads or footpaths from the subject land, to the satisfaction of the Responsible Authority.
20. The areas set aside for car parking and vehicle access ways must be maintained in a continuously useable condition to the satisfaction of the Responsible Authority.
21. Car spaces and vehicle access ways must be kept available for these purposes at all times.
22.
  - a) The owner must enter into an Owners Cost Agreement with Gippsland Water to decommission the 150mm Sewer Main and re-align the new sewer main around the proposed building as shown on submitted Drawing direct from the Design Consultant Jon Becker. The main must be decommissioned and re-aligned in accordance with the National Sewerage Code of Australia and Gippsland Water's addendum. (If Option 1 is not the preferred option a re-design of the Plans TP06 Rev 3 dated 19/07/13 submitted with the Planning Permit must be re-considered as Gippsland Water will not allow construction over the existing sewer main).
  - b) The 150mm CICL watermain, adjacent to the proposed customer entry to the new Quest Apartment in Post Office Place, may need to be lowered to comply with the standards of the Water Reticulation Code of Australia. Design and construction of the lowering must be undertaken by a Gippsland Water accredited consultant. The developer will employ a consultant to provide details of costs, undertake responsibility for design, supply materials and arrange construction of the works using accredited pipelayers, to Gippsland Water's standards and specifications.
  - c) The proposed water & sewer design for the above works must be submitted and a Gippsland Water Developer Works Deed entered into prior to the construction of any works taking place at the site.
  - d) Gippsland Water will require new sewerage easements upon submission of the Design of the realigned sewer around the development.
  - e) Provide water and sewer service layout plans (hydraulic plans) showing how the proposed development will be serviced to the satisfaction of Gippsland Water.
  - f) The existing 20mm Water Meter 11AF002672 (located at 10 Argyle Street) must be capped and meter returned to

**Gippsland Water for a final read.**

- 23. This permit will expire if one of the following circumstances applies:**
- a) The development is not started within two years of the date of this permit; or**
  - b) The development is not completed and the use has not commenced within four years of the date of this permit.**

**The Responsible Authority may extend the periods referred to if a request is made in writing before the permit expires or within six months of expiry of permit.**

## 16.3

### PLANNING PERMIT APPLICATION 2013/139, USE AND DEVELOPMENT OF RESIDENTIAL HOTEL AND ASSOCIATED CAR PARKING, WAIVER OF THE LOADING REQUIREMENT AND ALTERATIONS TO A ROAD ZONE CATEGORY 1 AT 10 ARGYLE STREET AND 51 - 57 POST OFFICE PLACE, TRARALGON

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**CONTEXT ANALYSIS**

51-57 POST OFFICE PLACE & 10 ARGYLE ST. TRARALGON, VIC

JOB NUMBER	DATE	SCALE	DRAWING NO.	CLIENT
12123	05/2013	NOT TO SCALE	TP01	CEEJ DEVELOPMENT



**History of Application**

5 June 2013	Planning Permit application received by Council
28 June 2013	Further information requested from applicant
24 July 2013	Further information received from applicant
31 July 2013	Application referred for comment from the Office of the Victorian Government Architect
2 & 5 August	Applicant advised to give notification of the application. Application referred internally to Infrastructure Planning and Strategic Planning. Application referred under Section 55 to VicRoads and PTV. Application referred under Section 52 to Gippsland Water.
22 August 2013	Objection received
28 August 2013	Statutory declaration received
2 September 2013	Further information requested from the applicant as a result of information received from the OVGA.
9 September 2013	All external referral response received
16 September	Response to the objection and request for further information as a result of input from the OVGA

●  
**LATROBE PLANNING SCHEME**

**State Planning Policy Framework**

Clause 11.02-1 Activity Centre Planning  
Clause 11.05-1 Regional Settlement Networks  
Clause 15.01-1 Urban Design  
Clause 17.01-1 Business

**Local Planning Policy Framework**

Clause 21.01 'Municipal Profile'  
Clause 21.02 'Municipal Vision'  
Clause 21.04 'Built Environment Sustainability'  
Clause 21.05 'Main Towns'  
Clause 21.07 'Economic Sustainability'

**Zoning – Business 1 Zone**

The subject land is located within a Business 1 Zone.

**Overlay**

There are no overlays that affect this property.

**Particular Provisions**

Clause 52.06 Car Parking  
Clause 52.07 Loading and Unloading of Vehicles  
Clause 52.34 Bicycle Facilities

**General Provisions**

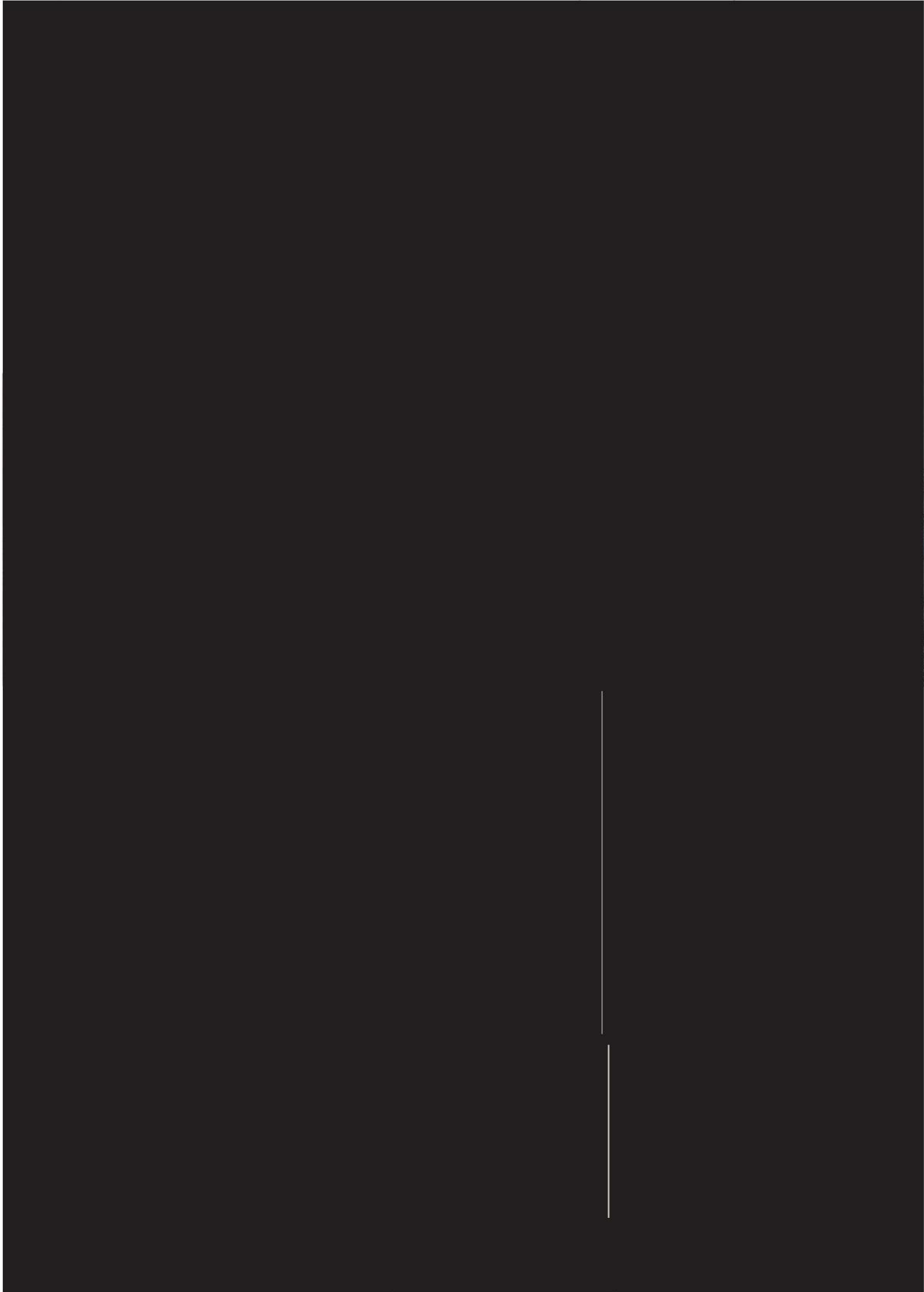
Clause 65 'Decision Guidelines'

**Incorporated Documents**

Australian Standard AS/NZS 2890.1:2004, Parking Facilities – Offstreet car parking, Standards Australia 2004

Australian Standard AS2890.3-1993, Parking Facilities Part 3: Bicycle parking facilities, Standards Australia 1993

The Traralgon Civic Precinct Plan, Latrobe City, 5 July 2004





## Document Information

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## Document Control

Version	Date	Author	Author Initials	Reviewer	Reviewer Initials
F02	31/05/13	Adam Law	<i>AL</i>	Valentine Gnanakone	<i>VG</i>

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Quest Traralgon  
Traffic and Transport Assessment

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## 1 Introduction

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Cardno was retained by CEEJ Developments to undertake a traffic engineering assessment of the proposed Quest Serviced Apartments on the corner of Mill Street (Princes Highway) and Post Office Place, Traralgon.

In the course of preparing this assessment, the subject site and its environs have been inspected, plans of the development examined, and all relevant data collected and analysed.





## 2 Background

---

A Planning Permit (2009/89/C) was issued in May 2010 for the use of the subject site as an office building. It is noted that this permit has since lapsed.

Cardno (Grogan Richards) prepared a Traffic Engineering Assessment Report (Ref CG108258Rep02F02 dated 18 March 2009) as part of the planning application.

Review of the Cardno report reveals that a total floor area of 3,170m<sup>2</sup> of office was proposed, in addition to 75 car spaces, with access from both Post Office Place and an unnamed R.O.W to the rear of the site.

### 3 Existing Conditions

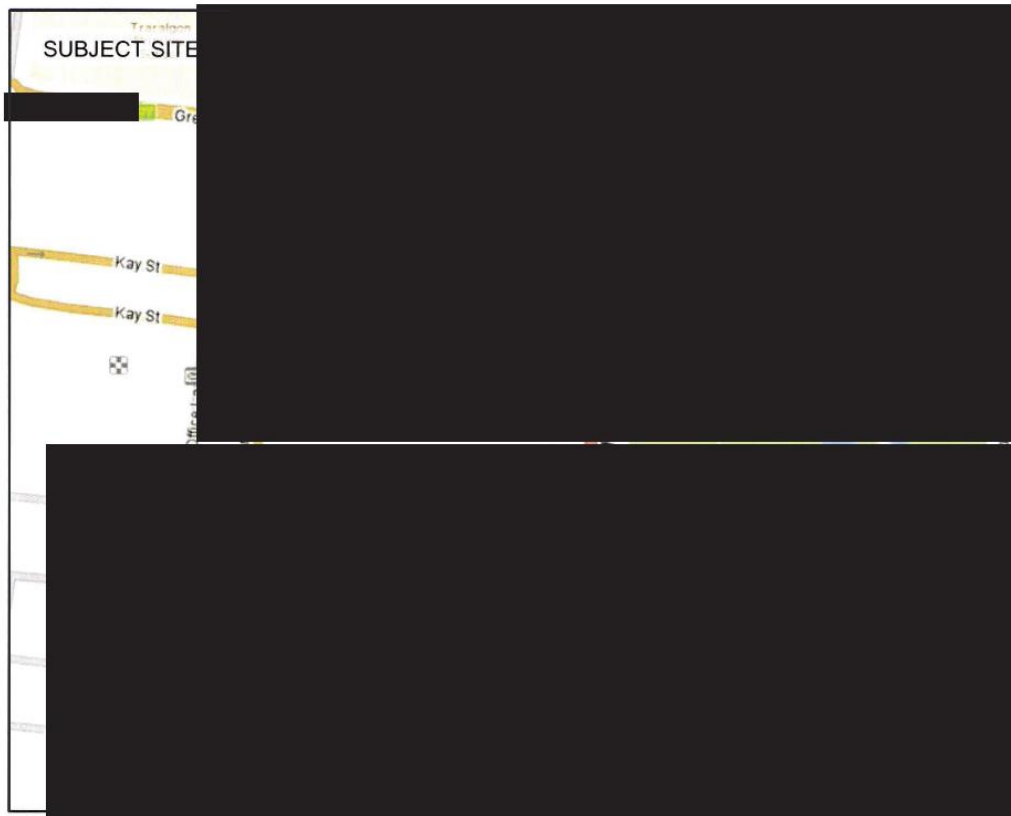
#### 3.1 Location and Land Use

The subject site is located on the corner of Mill Street and Post Office Place, Traralgon as shown in Figure 3-1. The site has a frontage to Mill Street of approximately 69.5m, an abuttal to Post Office Place of 39m and a total area of approximately 2,710sqm.

The site is currently unoccupied. Historically the site has been used as a church/ community centre and a gravel car park with access via two crossovers to Mill Street (Princes Highway).

The Traralgon Centre Shopping Plaza is located immediately to the north of the site, with Manny's Market to the west and Latrobe Community Health Service to the south.

**Figure 3-1 Site Locality (Source: whereis.com)**





**3.2 Planning Zones**

Figure 3-2 shows the location of the site and the La Trobe Planning Scheme Zones.

**Figure 3-2 Planning Scheme Zones**

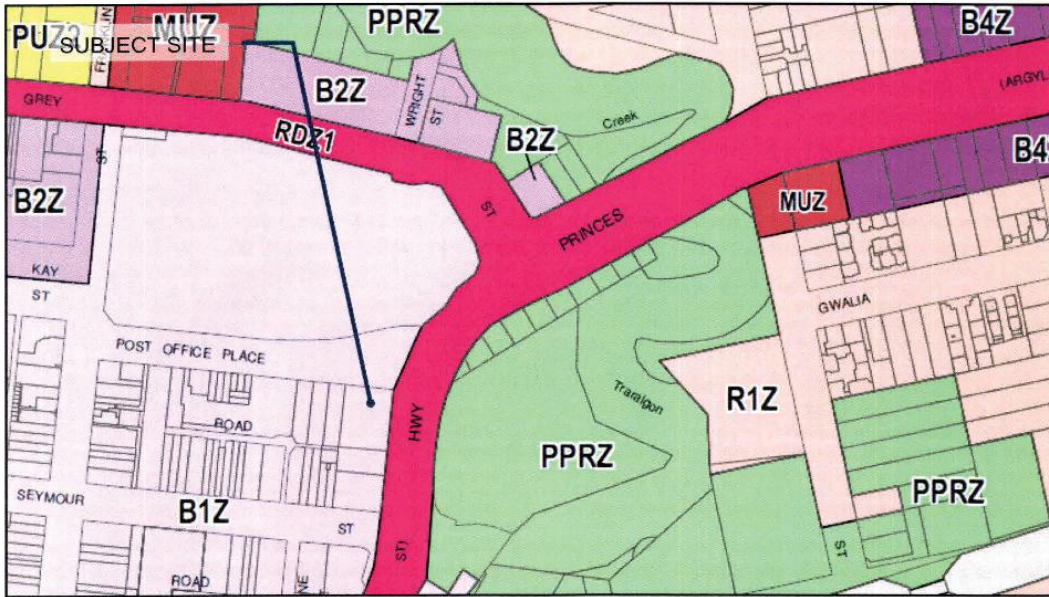


Figure 3-2 demonstrates that the subject site is located within the Business 1 Zone. The permitted uses for the B1Z are listed in Clause 34.01 of the Latrobe Planning Scheme.

### 3.3 Road Network

#### 3.3.1 Princes Highway (Mill Street)

Princes Highway (Mill Street) is a Declared Main Road and is generally aligned east-west through Traralgon. In the vicinity of the subject site, the Princes Highway runs north-south and has a divided carriageway with 2 through lanes in each direction. A parking lane exists on the west side of the northern carriageway adjacent to the site.

The intersection of Princes Highway / Post Office Place has recently been upgraded as part of VicRoads Blackspot program to incorporate auxiliary turn lanes.

Figure 3-3 illustrates Princes Highway facing south in the vicinity of the site.

At the frontage of the subject site, a speed limit of 60km/h applies.

#### **Figure 3-3 Princes Highway facing South**





### 3.3.2 Post Office Place

Post Office Place is a local road running east-west between Princes Highway and Franklin Street.

Post Office Place comprises of an exclusive traffic lane with angle parking lane on both sides, as shown in Figure 3-4. Post Office Place also provides access to the Traralgon Plaza Shopping Centre. A median exists along the majority of the site frontage and a speed limit of 50kph applies.

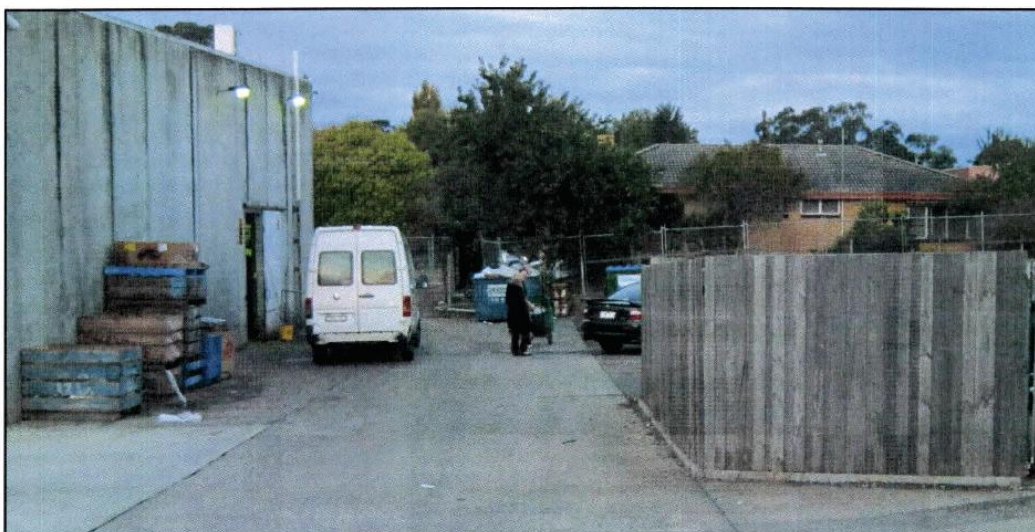
**Figure 3-4 Post Office Place facing West**



### 3.3.3 Unnamed R.O.W

Access to the rear of the site is provided via a ROW which is orientated east-west between Seymour Street and Post Office Place. The ROW is accessible through the Manny's Market car park and the car parking aisle immediately west of Manny's Market. Egress from the ROW is provided via a second ROW which is exit only onto Seymour Street. The existing ROW serves waste collection and a staff parking function for a number of the properties abutting both Seymour Street and Post Office Place. The ROW at the rear of the subject site is shown in Figure 3-5.

**Figure 3-5 Unnamed R.O.W**



## 4 Proposed Development

It is proposed to develop the site as a Quest Serviced Apartments building with associated café, conference, office and gym facilities. The proposed development schedule is summarised in Table 4-1.

**Table 4-1 Development Schedule**

Component	Quantity
1 Bedroom	33
Dual Key Studio	33
2 Bedroom	9
3 Bedroom	3
Total Dwellings	78

Access to the site is proposed via the access location approved as part of the existing permit, with a single access being provided to Post Office Place in the north-west corner of the site.

A total of 56 car parking spaces are proposed on the site, including 4 tandem parking spaces at the rear of the car park, and one disabled parking space near the main entrance to the site.

Eight bicycle parking spaces are proposed in an undercover area on the northern side of the building.

## 5 Design Considerations

### 5.1 Car Parking and Access

The car park and access design has been assessed against the requirements of the LaTrobe Planning Scheme and the Australian Standard for off-street car parking (AS/NZS 2890.1).

All car spaces meet the minimum dimension requirements of the LaTrobe Planning Scheme, being 2.6 metres wide and 4.9 metres long, with an aisle width of at least 6.4 metres.

Tandem car parking spaces are provided with an additional 500mm length to allow clearance between parked cars in accordance with the LaTrobe Planning Scheme. It is proposed that tandem car parking spaces will be allocated to staff only.

Standard car parking spaces on a ramp have been provided at a maximum grade of 1:20, measured from 90 degrees to the parking space which is in accordance with the Australian Standard.

Disabled Parking has been provided in accordance with the Australian Standard for Off-street parking for people with disabilities (AS/NZS 2890.6).

The location of structural columns within the car park adjacent to car parking spaces have been provided in accordance with the Planning Scheme parking envelope, which recommends that columns be located within 250mm-1250mm from the open end of the space.

Dead end aisles have been typically been provided with an aisle extension length of 1m in accordance with the Australian Standard specifications. A swept path analysis has been undertaken for car parking adjacent the reduced dead end aisle extension of 650mm to demonstrate that vehicles will be able to enter and exit the space without the requirement for a correctional manoeuvre, and as such is considered acceptable.

Access to the on-site car parking areas is proposed to be provided via 6.4m wide access which is in accordance with the Australian Standard specifications for two-way two-lane access.

### 5.2 Bicycle Parking and Access

All bicycle spaces and access aisles meet the minimum dimension requirements of the La Trobe Planning Scheme and Australian Standard, and are therefore considered appropriate. Furthermore, appropriate envelopes are provided along the access path to the bicycle parking area, to allow for easy bicycle access.

### 5.3 Garbage Collection

A bin storage area is shown within the at-grade car park, adjacent the maintenance area. It is understood that bins will be transferred to the kerbside of Post Office Place by building management to be collected as part of Council's municipal waste services, or by a private contractor.



## 6 Bicycle Parking Considerations

Clause 52.34 of the LaTrobe Planning Scheme specifies the bicycle parking requirements for employees, residents and visitors to the site based on land use. Whilst Clause 52.34 does not specify parking for 'serviced apartments' it is considered that the bicycle parking requirements for a motel use are the nearest land use approximation to the proposal, and is summarised in Table 6-1.

**Table 6-1 Bicycle Parking Requirements – Clause 52.34**

Component	Number/Area	Resident / Employee Rate	Spaces	Visitor Rate	Spaces
Motel	78	1 to each 40 rooms	2	None	0
Office	58 m2	1 space per 300m2 for employees	0	1 space per 1000m2 for visitors	0
Place of Assembly (Conference)	135 m2	1 space per 1,500m2 of for employees	0	2 + 1 space per 1,500m2 for visitors	2
Restaurant	88 m2	1 space per 100m2 for employees	1	2 + 1 space per 200m2 for visitors	2
<b>Total</b>			<b>3</b>		<b>4</b>

The proposed provision of 8 bicycle parking space is in accordance with the Planning Scheme requirements, and is considered appropriate.



## 7 Loading Considerations

Clause 52.07 of the La Trobe Planning Scheme outlines the requirements for the loading and unloading of vehicles, and specifies loading requirements for developments which include the manufacture, servicing, storage or sale of goods or materials. It specifies that:

- > No building or works may be constructed for the manufacture, servicing, storage or sale of goods or materials unless:
  - Space is provided on the land for loading and unloading vehicles as specified in Table 7-1;
  - The driveway to the loading bay is at least 3.6 metres wide;
  - The driveway that provides access to the loading bay is at least 3.6 metres wide.
  - A permit may be granted to reduce or waive these requirements if either
  - The land area is insufficient; or
  - Adequate provision is made for loading and unloading vehicles to the satisfaction of the responsible authority.

**Table 7-1 Planning Scheme Loading Requirements – Clause 52.07**

	Minimum Loading Bay Dimensions	
2,600 m <sup>2</sup> or less in single operation	Area	
	Length	7.6 m
	Width	3.6 m
	Height clearance	4.0 m
For every additional 1,800 m <sup>2</sup> or part	Additional 18 m <sup>2</sup>	

It is noted that the only component of the development which would attract a requirement for loading under the Planning Scheme is the proposed café. It is noted however that the café component of the site is ancillary to the proposed serviced apartments which would not generate a requirement for loading.

Notwithstanding the above, it is considered acceptable for a waiver of the on-site loading requirement given the small size of the café and the infrequent deliveries anticipated. Deliveries to the site are expected to be via passenger vehicle or small van in which instance it is considered that the on-site car parking area is suitable to accommodate any short-term loading requirements.



## 8 Car Parking Considerations

### 8.1 Statutory Requirements

'Serviced apartments' is not a specified use under the Latrobe Planning Scheme, which states that "When a use is not specified in the table at Clause 52.06-5, an adequate number of car spaces must be provided to the satisfaction of the responsible authorities".

The nearest land use to the proposal for which the Planning Scheme specifies a parking rate is considered to be a 'motel'. Clause 52.06 of the LaTrobe Planning Scheme specifies the following parking provision requirements for Motel.

- > 1 space to each unit
- > 1 space to each manager dwelling
- > 50 per cent of the relevant requirement of any ancillary use

It is noted that the dual key apartments could operate as two single dwellings (as they are provided with a separate access to the common areas and a separate bathroom) and as such will be conservatively assessed as separate units.

With regard to the ancillary components such as café, office and conference facilities, Clause 52.06 states the statutory parking requirements which are listed in Table 8-1. Application of the Planning Scheme rates for a 'motel' to the proposed serviced apartment development summarised in Table 8-2.

**Table 8-1 Planning Scheme Car Parking Requirements – Clause 52.06-5**

Component	Land Use	Rate	Car Parking Measure
Café	Food and drink premises other than listed in this table	4	to each 100 sq m of leasable floor area
Reception/Office	Office	3.5	to each 100 sq m of net floor area
Conference	Place of assembly	0.3	0.3 to each patron catered for

**Table 8-2 Planning Scheme Car Parking Requirements – 'Motel'**

Component	Quantity	Rate	Spaces
1 Bedroom	33	1 per dwelling	33
Dual Key Studio	33	1 per dwelling	33
2 Bedroom	9	1 per dwelling	9
3 Bedroom	3	1 per dwelling	3
<b>Sub-Total Dwellings</b>	<b>78</b>		<b>78</b>
Cafe	88 m <sup>2</sup>	(4 per 100 m <sup>2</sup> )/2	2
Conference	135 m <sup>2</sup> (assuming 50 patrons)	(0.3 per patron)/2	8
Reception + Office	58 m <sup>2</sup>	(3.5 per 100 m <sup>2</sup> )/2	1
<b>Sub-Total Ancillary</b>			<b>11</b>
<b>Total</b>			<b>89</b>

Review of Table 8-2 indicates the total Planning Scheme requirement would be equal to 89 car spaces (78 resident + 11 ancillary = 89).



Furthermore Clause 52.06-6 states that an application to reduce or waive the requirement for car spaces must be accompanied by a Car Parking Demand Assessment, which includes an assessment of the following:

- > The variation of car parking demand likely to be generated by the proposed use over time.
- > The short-stay and long-stay car parking demand likely to be generated by the proposed use.
- > The availability of public transport in the locality of the land.
- > The convenience of pedestrian and cyclist access to the land.
- > The anticipated car ownership rates of likely or proposed visitors to or occupants (residents or employees) of the land.
- > Any empirical assessment or case study.

## 8.2 Empirical Assessment

### 8.2.1 ABS Data

Latrobe City Council undertook a Tourism Product Audit for the municipality in 2011 which was summarised within a final report dated May 2011.

As part of the audit, ABS data for the municipality was reviewed. The ABS data for hotels, motels and serviced apartments with 5 or more rooms in the La Trobe area over the past 3 years reveals a slight downward trend in average occupancy rates, from 49.7% (2007/2008) to 46.2% (2009/2010).

Further review of ABS data indicates the peak occupancy rates for the 2009-2010 (most recent) period occurred in May when around 56% of tourism accommodation was occupied.

### 8.2.2 Quest Serviced Apartments.

A large proportion of the dwellings proposed are to be dual key units. It is the experience of Quest that the dual key arrangement whilst increasing occupancy numbers, generally results in shared transport to the site due to the intimate and proximal locations of the room entries.

Cardno have sourced case study data from a wide range of established Quest serviced apartment sites to determine typical car parking rates for the proposed. Car parking surveys were undertaken at four Quest developments across a one week period in May 2006 during both the morning and evening periods to identify peak demands. A summary of the survey results is provided in Table 8-3.

It is noted that Quest parking data sourced comprised a mix of single and dual key units, in addition to ancillary conference, gym and office facilities typical to Quest properties and similar to that of the proposed.

**Table 8-3 Case Study Data Quest Apartments**

	Single Units	Dual Key Units	Total Units	Peak Parking Demand	Time	Parking Rate / Occupied Unit
Quest Geelong	19	8	35	29	Mon, 11am	1.11
Quest Dandenong	0	35	35	19	Sat, 11pm	0.55 <sup>1</sup>
Quest Townsville	0	69	138	127	Sat, 7:30pm	0.68
Quest Ascot	25	12	49	13	Sun, 11am	0.46
<b>Average</b>						<b>0.70</b>

<sup>1</sup> 100% occupancy assumed

Based on the preceding, it is anticipated that the peak parking demand generated by the serviced apartments would be generated at a rate of 0.70 spaces per occupied unit.



### 8.3 Adequacy of the Proposed Car Parking Supply

With consideration to the proceeding ABS and case study data reviewed, it is conservatively expected that during the peak accommodation periods the proposed serviced apartments would be at most 60% occupied (based on ABS data), resulting in  $78 \times 60\% = 47$  occupied units.

Based on case study data, the occupied units of the proposed development are anticipated to generate a car parking demand at a rate of 0.7 spaces / dwelling, resulting in a demand of  $47 \times 0.7 = 33$  car spaces.

The proposed provision of 56 car parking spaces on-site meets and exceeds the peak car parking demands to be associated with the site and is considered appropriate.



## 9 Traffic Considerations

---

The RTA (NSW) Guide to Traffic Generating Developments recommends the adoption of a traffic generation rate of 3 daily vehicle trips per apartment and a rate of 0.4 movements per apartment during the PM peak hour, for motel uses. The RTA Guide to Traffic Generating Developments also states that the above mentioned rates conservatively assume 100% occupancy of units.

In view of the foregoing, a peak hour (AM & PM) traffic generation rate of 0.4 vehicle movements per room has been adopted to assess the likely traffic impacts of the proposed development. For the 78 rooms available to be let, this equates to a generation of 31 vehicle movements during both commuter peak hours.

It is noted that this assessment is considered very conservative given that the apartments are not anticipated to be 100% occupied at any time.

The previously approved office development was projected to generate traffic up to 45 and 38 vehicle movements during the AM and PM peak hours, respectively.

The proposed serviced apartments results in a net reduction of traffic generation by the site when compared to the approved office development. As such the proposed use of the site as a serviced apartment building is expected to have no significant impact in the operation of the surrounding road network.

## 10 Conclusions

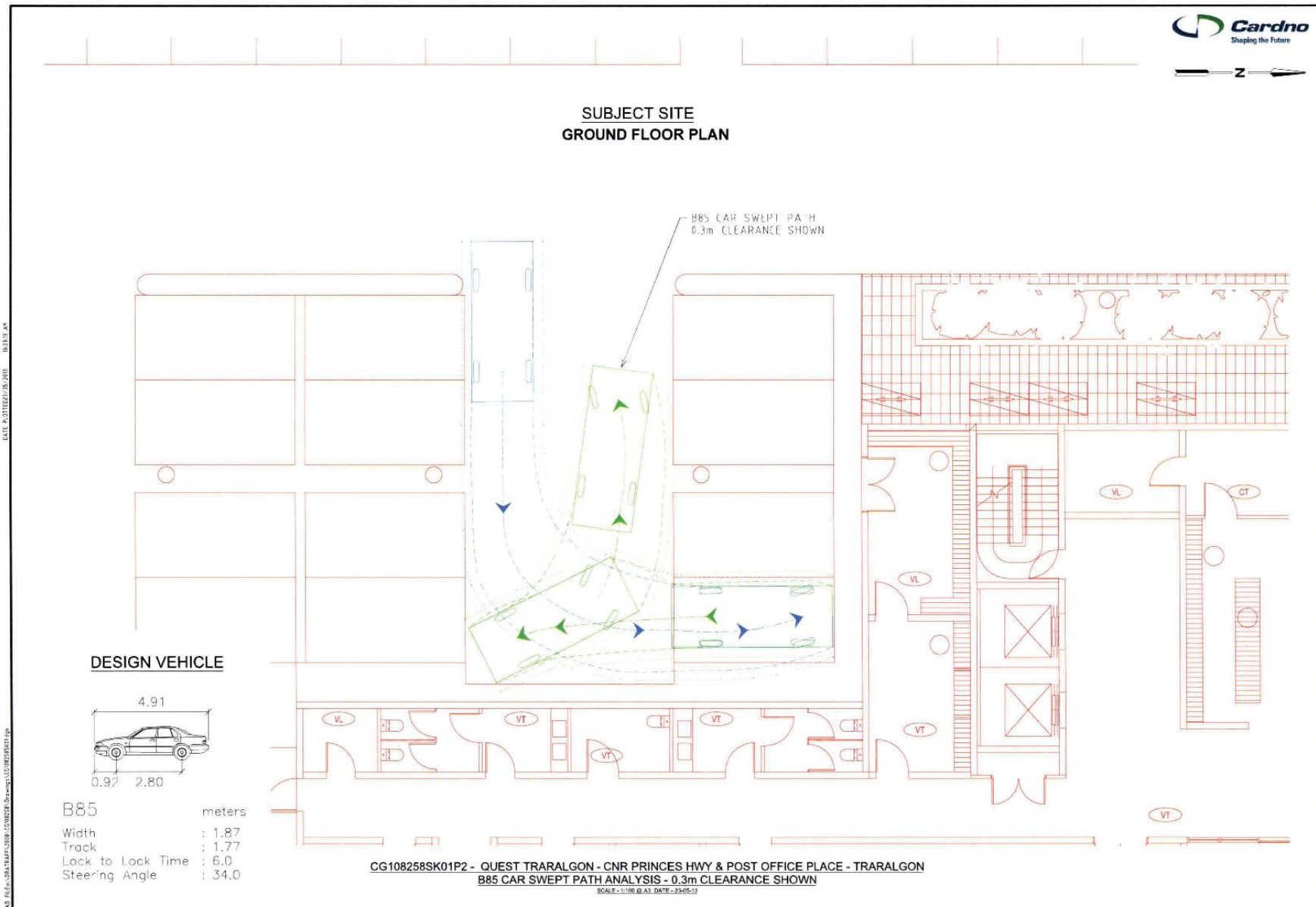
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Based on the foregoing analysis it is concluded that;

- > It is proposed to develop the site as a Quest Serviced Apartments with a total of 78 units and ancillary conference, gym and café components;
- > The car park and access design has been provided generally in accordance with the requirements of the LaTrobe Planning Scheme and the Australian Standard for off-street car parking (AS/NZS 2890.1), and is considered appropriate;
- > The proposed provision of 8 bicycle parking spaces exceeds the Planning Scheme Requirements, and is considered appropriate;
- > It is anticipated that the site will generate a peak parking demand of 33 car spaces based on case study data and an empirical assessment of the site;
- > The proposed provision of 56 on-site car parking spaces exceeds the car parking demands anticipated for the site and is considered appropriate;
- > The approved development of the site as an office building was projected to generate up to 45 vehicle trips during the peak periods;
- > The proposed development is expected to generate up to 31 vehicle trips during the AM and PM peak periods, resulting in a net reduction of traffic to be generated by the site;
- > The proposed use of the site as a serviced apartment building is expected to have no significant impact in the operation of the surrounding road network, and is considered appropriate.

Traffic and Transport Assessment









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## QUEST TRARALGON PLANNING SUBMISSION

MB122-01F02 (REV 2) ACOUSTIC REPORT FOR PLANNING.DOCX

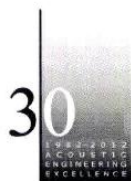
3 MAY 2013

Prepared for:

Ceej Developments Pty Ltd

C/- MGS Architects 10-22 Manton Lane Melbourne, Vic 3000

Attention: Vince Giagnorio



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**Renzo Tonin & Associates (VIC) Pty Ltd**  
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Sydney (Head Office)  
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Jody Riordan  
Latrobe City Planning Unit  
PO Box 264 MOREWELL  
VIC 3840

13 September 2013

Dear Jody

**Re: Objection to Planning Permit Application 2013/139, 51-57 Post Office Place, Traralgon  
Further Information Request**

Thank you for forwarding the objection from B. Lee, Managing Director of "Bridges on Argyle Motel and Serviced Apartments" dated 21 August 2013 regarding planning permit application 2013/139.

In the objection B. Lee raises 2 issues of concern regarding the proposal namely;

- Land use definition of 'Residential Hotel,' verse 'Motel'; and
- Adequacy of car parking on site for the proposed use.

Each of these issues has been addressed under the following headings.

**Land use definition**

B. lee disputes the land use nomination of the proposal being for a 'Residential Hotel'. B. Lee suggests that the correct land use nomination should be as a 'Motel'. To help clarify the why the definition of a 'Residential Hotel' has been used for this proposal we have refer to the Latrobe Planning Scheme.

The Latrobe Planning Scheme sets down the meaning of land use terms, providing a definition for each land use under Clause 74.

Clause 74 defines a 'Motel' use as,

*"Land used to provide accommodation in serviced rooms for persons away from their normal place of residence, and where provision is made for parking guests' vehicles convenient to the rooms."*

The key terms for this definition have been underlined. This definition defines a 'Motel' as an accommodation type that a guest is able to park their car in front of with only a few metres to traverse to their room. Furthermore this particular use is for accommodation only.

Conversely a 'Residential Hotel' is defined by Clause 74 as,

*"Land used to provide accommodation in serviced rooms for persons away from their normal place of residence. If it has at least 20 bedrooms, it may include the sale of liquor for consumption on, or off, the premises, function or conference rooms, entertainment, dancing, amusement machines, and*

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MESSAGE

*gambling."*

This definition accurately describes the proposed land use. The proposal contains more than 20 rooms and has ancillary uses such as a conference room and café for the use of guests. Therefore the proposed land use can be more accurately defined as a 'Residential Hotel' rather than as a 'Motel'.

**On site car parking**

Turning to the matter of car parking Cardno traffic consultants has provided a detailed response to the concerns raised in B. Lee's letter regarding car parking demands and traffic movements. The Cardno letter is enclosed.

From a town planning perspective we would like to provide the following comments.

Car parking for a particular use is set down at Table 1, Clause 52.06-5. The proposed use for 'Residential Hotel' is not a specifically nominated use under Table 1 Clause 52.06-5. The land use for a 'Motel' is however listed.

As discussed above, the definition of a 'Motel' does not accurately describe the proposed use. Clause 52.06A does not set down a prescribed ratio or number of car spaces for a 'Residential Hotel' rather *"an adequate number of car spaces must be provide to the satisfaction of the Responsible Authority"* pursuant to Clause 52.06A.

As there is no set car parking rate for a 'Residential Hotel' it is up to the responsible authority (ie Council) to decide whether the proposed 55 on site car spaces are sufficient for the proposal.

We consider that 55 space are sufficient for this proposed development and this has been confirmed by the Traffic and Transport Assessment prepared by Cardno and dated 31 May 2013 and their additional advice dated, 13 September 2013.

I hope this letter has provided some clarification regarding the definition of the land use and how the proposal is assessed under the provisions of the Latrobe Planning Scheme.

If you have any further questions regarding the proposal please contact me on 9934 6500 or alternatively email [claire@messageconsultants.com](mailto:claire@messageconsultants.com).

Yours sincerely

**Claire Romaszko**

**Message Consultants Australia Pty Ltd**

CC via email:

Vincent Giagnorio, Business Development Manager, CEEJ Developments

Chris Jones, Director, MGS Architects

Our Ref: CG108258\AL  
Contact: Adam Law



13 September 2013

Latrobe City Council  
PO Box 264  
**MORWELL VIC 3840**

Attention: Jody Riordan

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Dear Jody,

**PROPOSED QUEST SERVICED APARTMENTS  
51-57 POST OFFICE PLACE, TRARALGON**

**Introduction**

Cardno have been engaged by CEEJ Developments to provide traffic and car parking advice for the proposed Quest Serviced Apartments at 51-57 Post Office Place, Traralgon.

A town planning application was submitted for the site in June 2013. Cardno prepared a Traffic and Transport Assessment (Cardno Report CG108258REP003F02 dated 31 May 2013) to accompany the town planning application.

The application progressed to advertising and received one objection; citing traffic and car parking grounds. The objection, raised by Bridges on Argyle, is attached to this letter.

In summary the objection was raised on the following grounds:

- The car parking provision does not comply with the La Trobe Planning Scheme;
- Ancillary uses will generate a car parking demand;
- Parking for staff has not been considered;
- No provision for visitor, delivery and general inquiry vehicles; and
- Traffic distribution from the site.

Further following information is provided in response the abovementioned items as follows.

**Proposed Development**

Through consultation with Council and the State Government the proposed development schedule and car parking provision have been revised since the original application.

The current proposal is for a Quest Serviced Apartments building with 78 apartments and associated café (110m<sup>2</sup> including outside seating), conference (135m<sup>2</sup>), office/reception (58m<sup>2</sup>) and gym (92m<sup>2</sup>) facilities.

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The associated conference, office and gym facilities will be made available for use by Quest guests only. It is now understood that the café component will be made available for use by the public, but is anticipated to be primarily utilised by guests of Quest.

A total of 55 car parking spaces are now proposed, comprising 1 disabled space, 6 tandem spaces and 48 standard spaces.

## Car Parking Considerations

### *LaTrobe Planning Scheme – Clause 52.06*

The proposed land use as 'Residential Hotel' is not a specified use under the LaTrobe Planning Scheme, which states that "When a use is not specified in the table at Clause 52.06-5, an adequate number of car spaces must be provided to the satisfaction of the responsible authorities".

It is noted that the Café may be utilised by the public. Clause 52.06-5 specifies a rate of 4 spaces per 100m<sup>2</sup> for a 'Food & Drink premises', application of this rate to the 110m<sup>2</sup> of Café (including outdoor seating) would result in a statutory requirement for 4 car spaces.

An empirical assessment of the likely car parking demands of the site is considered appropriate for this application, given that the proposed use is not defined under the Planning Scheme. Furthermore the proposal is specific for a 'Quest' serviced apartments and as such will function similarly to other Quest serviced apartment developments.

## *Empirical Assessment*

### ABS Census Data

Latrobe City Council undertook a Tourism Product Audit for the municipality in 2011 which was summarised within a final report dated May 2011.

As part of the audit, ABS data for the municipality was reviewed. The ABS data for hotels, motels and serviced apartments with 5 or more rooms in the La Trobe area over the past 3 years reveals a slight downward trend in average occupancy rates, from 49.7% (2007/2008) to 46.2% (2009/2010).

Further review of ABS data indicates the peak occupancy rates for the 2009-2010 (most recent) period occurred in May when around 56% of tourism accommodation was occupied.

### Quest Serviced Apartments

A total of 78 serviced apartments are proposed on the site although notably the majority of apartments are 'dual key' which operate with a 1 one-bedroom apartment adjacent a studio apartment and can be linked as part of a booking.

If each of the dual key apartments were to be rented as a single apartment then the maximum number of serviced apartments to be leased on site would be equal to 33 dual key + 9 two-bedroom + 3 three-bedroom = 45 apartments total.

Conservatively the following analysis has been undertaken assuming that of the dual key apartments are leased separately, for a total of 78 apartments on-site.

It is the experience of Quest that the dual key arrangement whilst increasing occupancy numbers, generally results in shared transport to the site due to the intimate and proximal locations of the room entries.

Cardno have sourced case study data from a wide range of established Quest serviced apartment sites, which surveyed car parking demands for both staff and visitors. Additionally, the Quest site reviewed included the following ancillary facilities which are similar to the proposal:

- Quest Geelong: Meeting space for up to 10 people seated,
- Quest Dandenong: Meeting space for up to 40 people seated, on-site swimming pool, BBQ facilities,

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- Quest Townsville: BBQ facilities, on-site swimming pool
- Quest Ascot: Meeting spaces for up to 15 people seated, small kitchen, on-site gym

**Table 1: Case Study Data Quest Apartments**

	Single Units	Dual Key Units	Total Units	Peak Parking Demand	Time	Parking Rate / Occupied Unit
Quest Geelong	19	8	35	29	Mon, 11am	1.11
Quest Dandenong	26	4	34	19	Sat, 11pm	0.55 <sup>1</sup>
Quest Townsville	0	69	138	127	Sat, 7:30pm	0.68
Quest Ascot	25	12	49	13	Sun, 11am	0.46
<b>Average</b>						<b>0.70</b>

<sup>1</sup> 100% occupancy assumed

It is noted that the above case study data has been sourced for 'Quest' serviced apartments only, which cater to predominately business clientele and operate distinct from other serviced apartment sites.

Based on the case study data provided, it was revealed that for Quest sites with a high proportion of 'dual key' units that on average, the peak parking demand was equal to 0.70 spaces per occupied unit inclusive of both staff and visitors to the site.

#### Anticipated Car Parking Demands

Conservatively adopting a peak occupancy for the site of 60% (which is supported by ABS data for the area which shows a peak of 56% occupancy for tourism accommodation), the peak parking demands anticipated for the site are calculated as:

$78 \text{ (proposed apartments)} \times 60\% \text{ (peak occupancy)} \times 0.70 \text{ (peak parking demand)} = 33 \text{ spaces.}$

It is noted that even if the café were to generate external visitors to the site, that a requirement of 4 car spaces is specified under the Planning Scheme.

Conservatively allowing for the additional café parking demands to be accommodated on-site, a peak parking demand of 33 (serviced apartments) + 4 (café open to public) = 37 car spaces.

The proposed provision of 55 spaces exceeds the peak demands anticipated for both visitors and staff of the site and is considered appropriate.

The provision of 55 on-site car parking spaces is equivalent to 0.71 spaces per apartment which is in excess of the surveyed peak parking rate even if the proposed development was to operate at 100% occupancy.

The four tandem spaces located in the south end of the car park will be allocated to staff only to ensure the effective operation of the tandem space.

#### Summary

The proposed provision of 55 car parking spaces on-site exceeds the anticipated peak parking demands for the site. It is noted that the peak demand of 37 spaces includes demands associated with staff, guests, visitors, general inquiries and independent visitors to the café.

Furthermore the Quest case study data for which the peak parking demands have been derived include components of conference, restaurant and gymnasium facilities, and any additional demands generated by these uses would be included within that case study data.

Quest have a robust understanding of their own parking requirements and look to accommodate all parking demands on-site for each of their development; being part of the service and convenience that they provide.

The proposed development and parking provision is anticipated to have no significant impact on the operation of Post Office Place or the surrounding road network, and all peak parking demands are anticipated to be accommodated on-site.

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### **Loading Considerations**

It is noted that the only component of the development which would attract a requirement for loading under Clause 52.07 of the La Trobe Planning Scheme is the proposed café. It is noted however that the café component of the site is ancillary to the proposed 'Serviced Apartments' land use which would not generate a requirement for loading.

Deliveries to the site, albeit infrequent, are expected to be limited to small vans and passenger vehicles and take place outside of peak periods. It is considered that the on-site car parking area is suitable to accommodate any short-term loading requirements and will not have any significant impact of the operation of the surrounding road network.

### **Traffic Considerations**

#### ***Traffic Generation***

As outlined in the Traffic and Transport Assessment report prepared by Cardno, a peak hour (AM & PM) traffic generation rate of 0.4 vehicle movements per room is anticipated. If it is very conservatively assumed that the 78 rooms are 100% occupied, this equates to a generation of 31 vehicle movements during both commuter peak hours.

It is noted that this assessment is considered very conservative given that the apartments are not anticipated to be 100% occupied at any time. In practice, the traffic generation of the site is expected to be in the order of  $31 \times 60\% = 19$  vehicle movements.

It is noted that the site has previously approved for use as an office development. The proposed site access location for the 'Quest' serviced apartments is the same as the approved office development.

The previously approved office development was projected to generate traffic up to 45 and 38 vehicle movements during the AM and PM peak hours, respectively. The proposed serviced apartments results in a net reduction of traffic generation by the site when compared to the approved office development.

#### ***Traffic Distribution***

It is acknowledged that given the current layout of Princes Highway / Post Office Place, that development traffic would be restricted to left in and left out from Post Office Place.

Development traffic wishing to depart to the south on Princes Highway will do so via Post Office Place – Franklin Street – Seymour Avenue – Princes Highway. It is noted that this would be necessary regardless of the access arrangement as the intersection of Princes Highway / Post Office Place does not permit traffic to turn right from Post Office Place to Princes Highway.

Development traffic wishing to depart to the north on Princes Highway will likely do so via Post Office Place – Franklin Street – Seymour Avenue – Princes Highway. The level of traffic generated by the development is not considered to be significant in traffic engineering terms and will not have a noticeable impact of the surrounding streets.

Again it is noted that the traffic generated by the current proposal is less than what was previously approved and will be subject to the same access constraints.

The traffic generation and distribution of the site has been reviewed by both Council and VicRoads who have offered no objection to the proposal.

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## Summary

With consideration of the preceding we consider that the proposed car parking and access provisions are appropriate for the use of the site as a 'Quest' Serviced Apartments building. It is expected that all car parking demands will be contained within the bounds of the site and that traffic generated to and from the development will not have any noticeable impact on the surrounding road network.

If you have any queries please do not hesitate to contact the undersigned.

Yours sincerely,

Adam Law  
Design Engineer - Traffic Transport & Parking  
for Cardno  
Direct Line: 8415 7524  
Email: adam.law@cardno.com.au





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21<sup>st</sup> August 2013

Latrobe City Council,  
 Planning Department,  
 P. O. Box 264  
 MORWELL VIC 3840

**LATROBE CITY COUNCIL**  
**INFORMATION MANAGEMENT**

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Dear Sir / Madam,

**RE : Planning Permit Application 2013/139**  
**51-57 Post Office Place & 10 Argyle Street, Traralgon.**

I write with reference to the above Planning Permit application and hereby wish to register my objection to this application.  
 To clarify this objection it should be noted that I have in fact no overall objection to the actual development and proposed use of this site but only to certain aspects of its proposed design and operational elements.  
 These design elements are, from my experience in building and operating a similar business, crucial to owning and operating of such a business.

The terminology of a 'Residential Hotel' in this application, in my opinion, is not correct and implies a different use as to what this building will operate as and be used for. This building will be operated, used and advertised as a motel.

After viewing the submitted documentation and details therein the main concern, or basis, of my objection is the obvious lack of sufficient on and off site car parking for guests, staff, management, deliveries and visitors.

The usage of the building (motel) and the appropriate number of onsite car parking spaces required for this type of development has to conform to Clause 52.06.8 of the Latrobe Planning Scheme.

Latrobe Planning Scheme  
 Table 1: Car parking requirement

USE	RATE	RATE	CARPARKING MEASURE
	COLUMN A	COLUMN B	
	Applies the Standard rate to all zones	Applies where specified in a schedule to the Parking Overlay	
Motel	1	1	To each unit, and to each manager dwelling, plus 50 percent of the relevant requirement of any ancillary use

The Consultant responsible for preparing the required Traffic Demand Assessment uses Clause 52.06.8 - Table 1 and the correct definition of the proposed use of the building (motel) and calculates the total number of required car spaces as eighty nine (89) for all types of vehicles.

The submitted drawings show fifty six (56) on site car spaces, with some even in tandem, to service seventy eight (78) rooms, Conference Room Café and Gymnasium is as I have previously stated is totally inadequate.

The written documentation states in various parts that there are only fifty five (55) car spaces to be provided on site.

The justification given in the application to reduce the required eighty nine (89) on site car spaces is by stating that thirty three (33) of the proposed apartments (rooms) are 'twin key' or 'dual key' operation and hence negate the need for thirty three (33) on site car is erroneous.

The submitted drawings clearly indicate that all rooms are designed and are to be provided with all facilities to operate as individual rooms. Even if these 'twin key' or dual key rooms had no individual facilities this proposal would still not fully comply with the Latrobe Planning Scheme car parking requirements.

In a further attempt to further justify the reduced number of car parking spaces that this application requires, it states that the Conference Room and Café (not Dining Room) as being ancillary uses and that these areas are for 'house quests' only.

These ancillary areas will in fact, from my experience, actually generate additional people to the building for various reasons and it would be difficult to restrict these ancillary areas to 'house guest' use only.

The vehicle parking for staff, company or resident manager(s) has also not appeared to have been considered, or indicated, in this application. Staff numbers, from my experience, for a business of this size would be approximately twenty seven (27) including the required resident managers.

Vehicles for deliveries, visitors and or general enquires to the building have no actual access to any on street parking abutting the site and would obviously have to enter the site adding further to congestion.

This lack of on street parking will therefore put pressure on adjoining businesses to this site, which like me, have provided the appropriate number of required onsite parking combined with access to an adequate number of on street parking bays.

A second point I would like to raise is more of an observation, (not a specific objection) that relates to the traffic movements to and from the site that will be generated on a daily basis, from vehicles accessing the development.

Under the current proposal all traffic will have to enter the site from the Princes Highway, which is logical, however there is no direct and easy access back on to the Princes Highway.

There is no option for vehicles to legally turn right when exiting the development nor is there an option for vehicles to enter the site by turning right in Post Office Place. All vehicles therefore leaving the site will have to travel via Post Office Place, Franklin and Seymour Streets to return to the Princes Highway causing additional traffic in those streets, all be it at limited times.

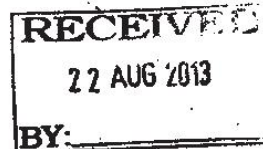
Without being factious a solution rectify these problem in this proposed development, in my opinion, would be to either construct another level of car parking or remove one floor of motel rooms.

I am more than willing if required to meet with Council to discuss, expand or clarify any of these areas of my objection.

Yours sincerely,



B. Lee  
Managing Director



## **16.4 Officer Delegations Review**

**General Manager**

**Governance**

**For Decision**

### **PURPOSE**

The purpose of this report is to seek Council's consideration of three Instruments of Delegation the S5. Delegation to the Chief Executive Officer (CEO), the S6. Delegation to members of Council staff; and the S8 Staff delegation guidelines and its notation of the S7. CEO delegation to officers in accordance with the requirements of the *Local Government Act 1989*.

### **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 – Our 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.*

##### ***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***

***Strategic Direction – To provide open, transparent and accountable governance***

Local Government Act 1989

Section 98 of the *Local Government Act 1989* allows Council to delegate various powers and functions.

**BACKGROUND**

Section 98 of the Local Government Act 1989 (the Act) allows Council to delegate various powers and functions.

**S5 Delegation to Chief Executive Officer (CEO)**

This document is used by a Council to delegate powers pursuant to section 98(1) of the Local Government Act to its CEO. When this resolution is executed, the CEO may sub-delegate the majority of the Council's powers to council staff in the form of the S7 Instrument of Delegation, CEO to members of Council staff.

**S6 Delegation to members of Council Staff**

This instrument can be used by a Council to delegate powers directly to members of its staff pursuant to section 98(1) of the Local Government Act.

**S8 Staff delegation guidelines and its notation of the S7 CEO delegation to officers**

These guidelines aim to assist decision-makers to make decisions in a consistent manner. It is intended they be used when the Council delegates its powers, duties and functions to its CEO or staff. These guidelines provide an example of the kind of record keeping and reporting requirements for council's CEO and staff.

Council is required under the Act to conduct a review of its current delegations to members of staff. This must be done within 12 months of a general election (i.e. October 2013).

Attached to this report are the proposed instruments of delegation and supporting schedules from Council to members of council staff that require review.

Council is required under the Act to maintain a Register of Delegations to members of council staff and to have this register available for public inspection.

Consultation with Councillors has indicated that the review needs to include consideration of the delegations issued to Council Officers and the implementation of these delegations.

The outcomes of this review of delegations will be that:

- Council complies with a legislative requirement to review its delegations within 12 months of a general election,
- Council and its officers remain clear on the powers of delegations that have been granted and their conditions,
- Council's potential risk exposure in relation to unlawful exercise of a power, duty of function is reduced.

**ISSUES**

The Council as a legal entity can only act through Council resolution or through letting others act on Council's behalf.

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

Where Council acts through others legal advice recommends that this be formalised through written 'instruments of delegation' where practicable. The decision of a delegate with delegated powers is legally binding on the Council as if the Council had made the decision itself.

The instruments of delegation submitted in this report have been prepared in accordance with the recommendations received by Maddocks Lawyers. Maddocks provide Victorian Council's with a subscription service to a template system of delegations and authorisation instruments that is up to date and under constant review.

Of the delegations attached, the S5 delegation to the CEO has been operating since 2009 and the S6 delegation to members of staff has been operating since 2012. These delegations provide authority to determine any issue, take any action or do any act or thing arising out of or connected to any duty, function or power conferred by Council and subject to any limitations prescribed by Council.

The S5. Instrument of Delegation to the Chief Executive Officer [13 POL-1], subject to the conditions and limitations prescribed in the attached schedule.

With respect to delegations to other officers the Maddocks model takes a provision-by-provision listing of Council powers under statutes and regulations which are delegated under the *Local Government Act 1989* and under other legislation.

Each proposed power, function and/or duty to be delegated by Council to other officers and the position title of each nominated officer is prescribed in the schedule to *S6. Instrument of Delegation to Members of Council [13 POL-1]*, this instrument is presented for consideration.

*S7. Instrument of Sub-Delegation by the Chief Executive Officer*, This instrument is intended to be executed by the Chief Executive Officer should Council resolve to adopt the S5. And S6. Instruments of Delegation and once they have been signed and sealed.

The *Maddocks* model also contains the S8. Guidelines – *Delegations to Members of Council Staff* package for the guidance of the Chief Executive Officer and any member of staff to whom powers, duties and functions have been delegated for adoption by Council.

### **FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management Plan 2011-2014.

### **INTERNAL/EXTERNAL CONSULTATION**

*Engagement Method Used:*

No external consultation has been engaged.

*Details of Community Consultation / Results of Engagement:*

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

Community consultation has not been undertaken as this is a statutory function required by the *Local Government Act 1989*.

### OPTIONS

In the instance of the Chief Executive Officer delegation, Council has the option to have a delegation by prescription, meaning that all relevant legislation and local laws need to be detailed in the delegation. This is not the preferred model as it has the potential to become out dated easily due to the changes in legislation.

In respect to the other delegations, Council has the option to delete the specified legislation provisions from the schedule of delegations, or amend the designated officer receiving the delegation. In the first instance, if a specific provision is deleted from the delegation prepared by *Maddocks*, it should be noted that Council will be the only body that can exercise that part/s of the legislation. To exercise those respective provisions would require a resolution of the Council at either an Ordinary or Special Council Meeting.

### CONCLUSION

It is imperative from an accountability, transparency and risk management perspective, that Council delegations to staff are legislatively compliant, and accurately maintained. The proposed delegations before Council are mostly operational in nature and have been updated to reflect legislative and structural changes within the organisation. These delegations to staff require a Council resolution to amend and they cannot be sub-delegated by any other officer including the CEO.

Council is required by the *Local Government Act 1989*, to conduct a review of its current delegations to members of council staff. This must be done within twelve months of a general election (i.e. 27 October 2013).

The following attachments are presented for Council's consideration:

S5. *Instrument of Delegation to the Chief Executive Officer [13 DEL-1];*

and

S6. *Instrument of Delegation to Members of Council Staff [13 DEL-1];* and

S8. *Staff Delegation Guidelines [13 DEL-1].*

In addition –

S7. *Instrument of Sub-Delegation by the Chief Executive Officer*

*[13 DEL-1]* should be noted.

#### **Attachments – Published Separately**

- 1.S5. Instrument of Delegation to Chief Executive Officer [13 DEL-1]
- 2.S6. Instrument of Delegation – Council to Staff [13 DEL-1]
- 3.S8. Guidelines to Members of Council Staff [13 DEL-1]
- 4.S7. Instrument of Sub-Delegation – CEO to Staff [13 DEL-1]

## RECOMMENDATION

That S5. Delegation to Chief Executive Officer

A. In the exercise of the powers conferred by section 98(1) of the *Local Government Act 1989* (the Act) and the other legislation referred to in the attached instrument of delegation, Latrobe City Council (Council) RESOLVES THAT –

1. There be delegated to the person holding the position, acting in or performing the duties of Chief Executive Officer the powers, duties and functions set out in the attached S5. *Instrument of Delegation to the Chief Executive Officer* [13 DEL-1], subject to the conditions and limitations specified in that Instrument.
2. The instrument comes into force immediately upon the common seal of Council being affixed to the instrument.
2. On the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked.
3. The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.
4. It is noted that the instrument includes a power of delegation to members of Council staff, in accordance with section 98(3) of the Act.

B. S6. Delegation to members of Council staff

In the exercise of the powers conferred by section 98(1) of the *Local Government Act 1989* (the Act) and the other legislation referred to in the attached instrument of delegation, Latrobe City Council (Council) RESOLVES THAT –

1. That there be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached S6. *Instrument of Delegation to Members of Council Staff* [13 DEL-1], the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument.
2. The instrument comes into force immediately upon the common seal of Council being affixed to the instrument.



3. On the coming into force of the instruments all previous delegations to members of Council staff (other than the Chief Executive Officer) are revoked.
4. The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.

**C. S8. Staff Delegation Guidelines**

1. That Council revokes the *Guidelines for Delegations to Members of Council Staff – November 2009* adopted by Council on 16 November 2009.

2. That Council adopts the *S8. Staff Delegation Guidelines [13 DEL-1]*.

**D. S7. Sub-Delegation by Chief Executive Officer to Staff**

That Council notes the *S7. Instrument of Sub-Delegation by the Chief Executive Officer [13 DEL-1]* in accordance with section 98(3) of the *Local Government Act 1989*.

# ORGANISATIONAL EXCELLENCE

**17. ORGANISATIONAL EXCELLENCE**

**17.1 LATROBE CITY COUNCIL ANNUAL REPORT 2012/13**

**General Manager**

**Organisational Excellence**

**For Information**

**PURPOSE**

The purpose of this report is to present the Latrobe City Council Annual Report 2012/13 in accordance with Section 134 of the *Local Government Act 1989*.

**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 - 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*

*To achieve the highest standards of financial probity and meet all statutory obligations.*

*To provide open, transparent and accountable governance.*

Strategic Direction –

*Regularly report Council decisions and performance to the community.*

*Increase community awareness and satisfaction with Council's services and facilities.*

*Continuously improve financial management and reporting.*

Annual Action

*Prepare the Annual Report, submit to the Minister for Local Government and present to Council within the legislated timeframes*

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

Legislation –

*Local Government Act 1989 – section 131, 132, 133, 134.*

*Local Government (Finance and Reporting) Regulations 2004*

In particular, Section 134 of the Local Government Act 1989, states that:

*(1) A Council must consider the annual report at a meeting of the Council.*

*(2) The meeting-*

*(a) must be held as soon as practicable but within the time required by the regulations, after the Council has sent the annual report to the Minister;*

*(b) must be advertised at least 14 days before the meeting is held in a public notice that states-*

*(i) that the annual report will be discussed at the meeting; and*

*(ii) the place from which copies of the annual report can be obtained before the meeting;*

*(c) must be kept open to the public while the annual report is discussed.*

### **BACKGROUND**

The *Local Government Act 1989* requires Council to submit its Annual Report, including the audited financial, standard and performance statements, to the Minister for Local Government within three months of the end of the financial year. Accordingly a copy of Latrobe City Council's Annual Report 2012/13 was emailed to the Minister on 26 September 2013.

Council resolved on 16 September 2013 to approve in principle the financial, standard and performance statements and to authorise Councillors Darrell White and Michael Rossiter to certify the statements in their final form. This certification was undertaken prior to forwarding the Annual Report to the Minister for Local Government.

In accordance with the *Local Government Act 1989* and the *Local Government (Financial and Reporting) Regulations 2004* Council is required to consider the Annual Report at a meeting of Council within one month after providing the Annual Report to the Minister.

Council is required to give fourteen day's notice of the meeting and make copies of the Annual Report available for public inspection.

In accordance with these legislative requirements, an advertisement was published in the Latrobe Valley Express on Monday, 30 September 2013, inviting the public to inspect Latrobe City Council's Annual Report 2012/13 and informing the public that the Annual Report 2012/13 would be

## ORDINARY COUNCIL MEETING AGENDA 21 OCTOBER 2013 (CM400)

presented at the Council Meeting on 21 October 2013. Hard copies are available at services centres and libraries for viewing and electronically via Council's website.

A copy of Latrobe City Council's Annual Report 2012/13, as presented to the Minister for Local Government, is attached (Attachment 1) and has also been provided to Councillors as a hard copy.

### ISSUES

Latrobe City Council's Annual Report is divided into five sections; introduction, performance, governance, financial and closing.

The introduction provides the reader with some context about Latrobe City Council. It details Latrobe City's population and economic highlights, information about Council, our employee profile, a snapshot of our performance, and highlights from our Capital Works and Events programs.

The performance section includes a detailed summary of Council's delivery of major initiatives, service provision and performance indicators in accordance with the nine objectives of the *Council Plan 2012-2016*. For a snapshot on Latrobe City Council's performance, refer to pages 10-11 and page 41 of Attachment 1.

The governance section incorporates highlights from the year relating to Organisational Excellence @ Latrobe, Best Value and community engagement. It also outlines legislative and statutory information including risk, committees of Council and the Victorian Local Government Indicators.

The financial report provides a comprehensive account of Council's financial performance including audited financial, standard and performance statements. Latrobe City Council concluded 2012/13 in a strong financial position. For a financial snapshot on where Latrobe City Council's money comes from and goes, and a summary of key financial figures and indicators refer to pages 18-23 of Attachment 1.

The financial statements indicate that the Council has continued to provide a solid financial foundation to meet future requirements refer to page 108-161 of Attachment 1.

The Annual Report closes with a glossary and index to support readability of the document.

As part of Council's commitment to environmental best practice and to avoid increased printing costs, a minimum number of Annual Reports have again been printed this year. Hard copies are available for inspection at Latrobe City Council service centres and libraries and are available electronically on Council's website.

This Annual Report is again being supported by a LINK article and Annual Report postcard which provide key highlights from the full document and direct the public and stakeholders to where they can view the full report.

**ORDINARY COUNCIL MEETING AGENDA  
21 OCTOBER 2013 (CM400)****FINANCIAL, RISK AND RESOURCES IMPLICATIONS**

Risk has been considered as part of this report and it is considered to be consistent with the Risk Management Plan 2011-2014.

There are no financial implications as a result of Council's consideration of this report.

**INTERNAL/EXTERNAL CONSULTATION***Engagement Method Used:*

The Chief Executive Officer, General Managers and Managers of Latrobe City Council informed and reviewed the content of the Annual Report to ensure its accuracy.

A presentation to Councillors on performance reporting, including the Annual Report 2012/13 development and timeframes was provided on the 12 August 2013.

Council's Audit Committee reviewed the financial, standard and performance statements of Latrobe City Council's Annual Report 2012/13 and authorised its content.

The Victorian Auditor General's Office has conducted a comprehensive audit of the financial, standard and performance statements and issued unqualified audit reports for the 2012/13 financial year for all of the statements.

**OPTIONS**

There is a statutory requirement for Council to consider the Annual Report within one month of forwarding the report to the Minister for Local Government.

**CONCLUSION**

Latrobe City Council's Annual Report 2012/13 has been prepared in accordance with the legislative requirements of the *Local Government Act 1989*, and is presented for Council's consideration.

The Victorian Auditor General's Office has conducted a comprehensive audit of the financial, standard and performance statements, and issued unqualified reports for all statements. Council's Audit Committee has reviewed and endorsed the financial, standard and performance statements of Latrobe City Council's Annual Report 2012/13.

Latrobe City Council's Annual Report 2012/13 was emailed to the Minister for Local Government on 26 September 2013.

**Attachments**

1. Latrobe City Council Annual Report 2012/13

**RECOMMENDATION**

**That Council notes the Latrobe City Council Annual Report 2012/13 in accordance with Section 134 of the *Local Government Act 1989*.**

# **17.1**

## **Latrobe City Council Annual Report 2012/13**

<b>1</b>	<b>Latrobe City Council Annual Report 2012/13 .....</b>	<b>299</b>
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LATROBE CITY COUNCIL  
**ANNUAL REPORT 2012/13**





# CONTENTS

Latrobe City Council is proud to present its Annual Report for 2012/13. The report provides an overview of Council's operational and financial performance, from 1 July 2012 to 30 June 2013, in accordance with the *Local Government Act 1989*.

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This report can be downloaded online at: [www.latrobe.vic.gov.au](http://www.latrobe.vic.gov.au)

Hard copies can be viewed at Council's service centres and libraries, see back cover for locations.

Image (front page): Victory Park Traralgon  
Image (opposite page): Latrobe City Headquarters

2012/13 LATROBE CITY COUNCIL  
ANNUAL REPORT

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# LATROBE CITY

*at a glance*

*Latrobe City is recognised as one of Victoria's four major regional centres along with Ballarat, Bendigo and Geelong. Located 150 kilometres east of Melbourne, our city is made up of four central towns; Churchill, Moe/Newborough, Morwell and Traralgon; and smaller rural townships of Boolarra, Glengarry, Toongabbie, Tyers,*

*Traralgon South, Yallourn North and Yinnar. It is spread over 1,422 square kilometres which is made up of four wards, represented by nine councillors. The nine councillors and 555 (FTE) staff provided a range of services and infrastructure to over 76,000 residents during 2012/13.*



## Key features:

- Population of over 76,000<sup>1</sup>
- World's largest brown coal deposits
- Home to over 3,500 businesses
- Choice of kindergartens, primary schools, secondary schools, a university and TAFE
- Comprehensive health and allied health services
- Diverse lifestyle opportunities
- 36 cultural backgrounds
- Outstanding sporting facilities and leisure centres
- First rate cultural facilities and events destination
- Vibrant nightlife, excellent shopping and alfresco dining

POPULATION HIGHLIGHTS	LATROBE	REGIONAL VICTORIA
Median Age <sup>2</sup>	39	41
Couples with children <sup>2</sup>	26%	27%
Total Overseas born <sup>2</sup>	13.7%	10.6%
SEIFA (Index of disadvantage) <sup>2</sup>	940	978
Households with a mortgage <sup>2</sup>	34%	32%
Median weekly household income <sup>2</sup>	\$942	\$945
Median weekly rent <sup>2</sup>	\$160	\$190

ECONOMIC HIGHLIGHTS	2011/12	2012/13
Gross Regional Product <sup>3</sup>	\$4 billion	\$4.07 billion
Largest employer <sup>3</sup>	Retail sector	Health Care and Social Assistance
Largest industries (output and sales) <sup>3</sup>	Manufacturing, electricity, gas, water and waste services and construction	Manufacturing, electricity, gas, water and waste services and construction
Tourism output <sup>3</sup>	\$146 million	\$150 million
Average annual value of building work <sup>4</sup>	\$114.7 million	\$128.5 million

### Sources:

<sup>1</sup> Essential Economics, Implications of population growth on Victorian Regional Cities, [www.regionalcitiesvictoria.com.au](http://www.regionalcitiesvictoria.com.au)

<sup>2</sup> Profile.id [www.id.com.au/profile/latrobe](http://www.id.com.au/profile/latrobe) (based on ABS 2011 Census data)

<sup>3</sup> REMPLAN Economic Profile - Latrobe City

<sup>4</sup> Australian Bureau of Statistics, [www.abs.gov.au](http://www.abs.gov.au)



Image (opposite page):  
Central Moe Island  
Image: Township map  
of Latrobe City

LATROBE CITY COUNCIL  
ANNUAL REPORT

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# Vision, Mission & Values

Latrobe City Council is a public statutory body which operates under the legislative requirements of the *Local Government Act 1989*. This Act sets out the role of the Council as an elected body to provide leadership for the good governance of the municipal district and the local community.

## The Latrobe 2026 Community Vision

Latrobe 2026 is a long term vision that captures what the community would like the Latrobe Valley to be in 2026. The community vision is:

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

## Latrobe City Council's Values

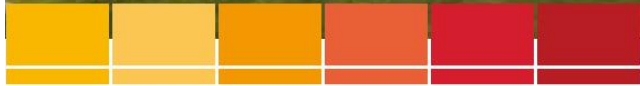
- Providing affordable people focused community services
- Planning strategically and acting responsibly, in the best interests of the whole community
- Accountability, transparency and honesty
- Listening to and working with the community
- Respect, fairness and equity
- Open to and embracing new opportunities

*Image (opposite page):  
Churchill Community Hub*

## Latrobe City Council's **Mission**

To provide the best possible **facilities, services, advocacy and leadership** for Latrobe City, one of Victoria's four major regional cities.

INTRODUCTION





## Mayor's Reflections

*It gives me great pleasure to present to you on behalf of my fellow councillors, Latrobe City Council's Annual Report for 2013/14. It has been another great year for Council with many achievements.*

In October 2012 we saw a change at Latrobe City, with a new council made up of committed and community-minded people elected, giving us an opportunity to listen to the community and find ways to work together to achieve great things for the municipality. A key priority was adopting our Council Plan 2013-2017, which will shape the direction and priorities for our community over the next four years.

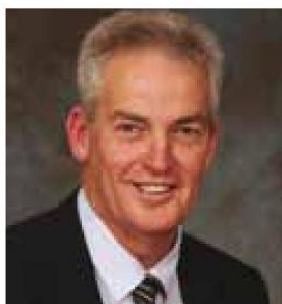
Latrobe City Council once again delivered a wide range of services that touch people of all ages in our community. Services such as maternal and child health care and aged care; initiatives and events that cross the cultural divide from indigenous employment programs to community arts events; and a range of projects both large scale and small, some designed to improve our connections such as the construction of the new Franklin Street Bridge and others that simply touch our hearts like the replanting of the Aleppo Pine in Victory Park in time for the ANZAC Day services.

This year, Council also produced 'Securing our Future 2013', which represents our immediate asks from the Victorian and Australian Governments. The document lays out clearly the local projects, opportunities and initiatives that, if met, will provide jobs and help our economy to further transition to a low carbon future. Council is proactively seeking support from all levels of government, for projects that will benefit our community long into the future.

As I reflect on the past year, I would like to acknowledge the hard work and commitment of Council and of our organisation's many teams and employees who support our strategic direction and to all the volunteers who unselfishly serve our community. Finally, I would like to thank our community who through their diverse interests help us to strive to make Latrobe City an even better place to live, work and visit.

Cr Sandy Kam  
Mayor





## Chief Executive Officer's Reflections

*As Chief Executive Officer, I am privileged to play a role in making a difference to the Latrobe City community and take great pride in being able to present this year's Annual Report. The past 12 months has been an exciting time with a new Council elected in October 2012 and a new Council Plan 2013-2017 adopted in June 2013 which will guide the direction and priorities of the organisation over the next four years.*

I would like to acknowledge the continued effort of our 1,015 employees in providing over one hundred high quality community services across the municipality. Latrobe City Council promotes a culture of performance excellence, with a number of staff recognised for excellence and innovation.

In addition to the day to day services delivered, a large and diverse range of capital works projects were completed which will meet the needs of the community for many years to come. Examples include road, bridge and footpath replacements along with amenity improvements such as the power line relocation and construction of a rest station in Moe and the resurfacing of the Glengarry Tennis and Netball courts.

It can be hard to believe that during the year there have been 75,514 calls received at Council's Service Centres and Libraries; 510 hectares of active and passive reserves maintained; 9 international, 11 national and 17 state events held in Latrobe City; 225,754 visits to Latrobe City Council Libraries; and 15,163 people attending Latrobe City Council's Performing Arts Program.

I also must acknowledge our employees commitment to Organisational Excellence @ Latrobe, an internal objective which supports the organisation to achieve the Council Plan. It highlights the importance of bringing our mission, values and behaviours to life and continuously striving to improve our day to day service delivery.

I am immensely proud of the work that has been undertaken to strengthen our profile as a diverse and liveable key regional city and look forward to the coming year.

A handwritten signature in black ink that reads "Paul Buckley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul Buckley PSM  
**Chief Executive Officer**

# Performance Snapshot 2012/13

This snapshot provides highlights, challenges and financial and performance indicators from 2012/13 which reflect the nine objectives of Latrobe 2026 and the Council Plan 2012-2016.



Images (top to bottom):  
Victory Park Traralgon,  
Churchill Community Hub  
Library, Latrobe Leisure  
Morwell

Economy	Natural Environment	Built Environment	Our Community
---------	---------------------	-------------------	---------------

## HIGHLIGHTS

- |   |   |   |   |
|---|---|---|---|
| <ul style="list-style-type: none"> <li>Produced Securing our Future 2013, Council's revised Government Investment Opportunities document.</li> <li>Implemented 100% of Latrobe Regional Airport actions for 2012/13.</li> <li>Supported a range of expansion projects by Australian Paper, Lion and GippsAero.</li> <li>20% increase in Visitor Information Centre customer enquiries.</li> </ul> | <ul style="list-style-type: none"> <li>Achieved objectives within the 16 action areas of the Natural Environment Sustainability Strategy.</li> <li>Stage two of the Gippsland Climate Change Impacts and Adaption Project completed.</li> <li>Planted over 8,200 plants to offset emissions from Council's fleet.</li> <li>Collected 64,000 kerbside waste bins each week.</li> </ul> | <ul style="list-style-type: none"> <li>Replaced the Traralgon Franklin Street Bridge to reduce flooding impacts and improve pedestrian safety.</li> <li>Adopted a reviewed Road Management Plan.</li> <li>Maintained approximately 1,600 km of roads and associated signage.</li> <li>Audited 109 pool barriers.</li> </ul> | <ul style="list-style-type: none"> <li>Traralgon CBD Safety Committee successfully advocated for continuation of the 'night rider' bus service.</li> <li>Coordinated 19 events during Social Inclusion Week.</li> <li>Delivered over 760 Meals on Wheels weekly.</li> <li>Distributed a total of \$435,000 through the community grants program.</li> </ul> |
|---|---|---|---|

## CHALLENGES

- |  |  |   |  |
|--|--|---|--|
| The full impacts of a low carbon future on Latrobe City's economy are not yet known. Council will continue to lobby for Commonwealth and State Government support for our community. | Council resolved to discontinue the Climate Change Consultative Committee therefore their Action Plan was not delivered. | Stage 2 and 3 of the Traralgon Activity Centre Plan delayed.<br><br>Moe Activity Centre Plan funding opportunities delayed. | The Municipal Emergency Coordination Centre and Relief Centres were activated to support communities impacted by the Aberfeldy Fire in January 2013 and floods in June 2013. |
|--|--|---|--|

## FINANCIAL AND PERFORMANCE INDICATORS

- |   |   |   |   |
|---|---|---|---|
| <ul style="list-style-type: none"> <li>Council spent \$4.17 million on the <i>Economy</i> objective.</li> <li>33% increase in business enquiries received.</li> </ul> <p>For more information on <i>Economy</i> refer to page 42.</p> | <ul style="list-style-type: none"> <li>Council spent \$12.42 million on the <i>Natural Environment</i> objective.</li> <li>Assessed 100% of rural roadsides, with 792 km treated for weed infestation.</li> </ul> <p>For more information on <i>Natural Environment</i> refer to page 46.</p> | <ul style="list-style-type: none"> <li>Council spent \$33.21 million on the <i>Built Environment</i> objective.</li> <li>Delivered 64% of the Capital Works program.</li> </ul> <p>For more on <i>Built Environment</i> refer to page 50.</p> | <ul style="list-style-type: none"> <li>Council spent \$25.95 million on the <i>Our Community</i> objective.</li> <li>75,514 calls received at Service Centres and Libraries resulted in 41,285 requests for service.</li> </ul> <p>For more on <i>Our Community</i> refer to page 56.</p> |
|---|---|---|---|

Culture	Recreation	Governance	Advocacy and Partnerships	Regulation and Accountability
---------	------------	------------	---------------------------	-------------------------------

## HIGHLIGHTS

<ul style="list-style-type: none"> <li>Adopted an Events Strategy and Action Plan.</li> <li>Latrobe City was home to nine international, 11 national and 17 state events.</li> <li>Visitors to major and minor venues increased by over 22,000.</li> <li>Coordinated the inbound Sports Exchange from Takasago our Sister City in Japan.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed and adopted the Public Open Space Strategy.</li> <li>New playground equipment installed at Andrews Park and Glendonald Park in Churchill and Apex Park in Moe.</li> <li>20% increase in Hazelwood Traffic School bookings.</li> <li>Maintained 510 hectares of reserves.</li> </ul>	<ul style="list-style-type: none"> <li>Local Government Elections held in October 2012.</li> <li>Adopted the Council Plan 2013-2017.</li> <li>Hosted six Citizenship Ceremonies with 45 candidates attending.</li> <li>Completed valuations in preparation for the introduction of the new Fire Service Property Levy.</li> </ul>	<ul style="list-style-type: none"> <li>Latrobe City's CEO chaired the Low Carbon Economy Strategy Group, supporting the <i>Gippsland Regional Plan</i>.</li> <li>19 'Have a Say' pages on Council's website.</li> <li>Published 156 media releases to inform the community.</li> </ul>	<ul style="list-style-type: none"> <li>Responded to over 8,000 requests for Local Laws services.</li> <li>All Latrobe City properties were inspected in accordance with the Municipal Fire Prevention Plan.</li> <li>Maintained and made available for public inspection, a range of registers in accordance with the <i>Local Government Act 1989</i>.</li> </ul>
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## CHALLENGES

The provision of a Performing Arts and Convention Centre for Latrobe City is reliant on State and Federal Government funding.	The Indoor Aquatic Centre in Traralgon was unsuccessful in the round four Regional Development Australia Fund allocations.	Two of Council's nine identified Key Strategic Activities were not achieved during the year.	The draft City Image Strategy has been deferred pending further consideration by Council.	The percentage of impounded animals rehoused or returned to owners decreased.
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## FINANCIAL AND PERFORMANCE INDICATORS

<ul style="list-style-type: none"> <li>Council spent \$2.81 million on the <i>Culture</i> objective.</li> <li>Annual Economic benefit from supporting significant events was over \$9.2 million.</li> </ul> <p>For more on <i>Culture</i> refer to page 60.</p>	<ul style="list-style-type: none"> <li>Council spent \$15.77 million on the <i>Recreation</i> objective.</li> <li>Increased visits to Latrobe Leisure facilities by over 3,500 visits.</li> </ul> <p>For more on <i>Recreation</i> refer to page 64.</p>	<ul style="list-style-type: none"> <li>Council spent \$13.52 million on the <i>Governance</i> objective.</li> <li>Completed 100% of audit committee recommendations.</li> </ul> <p>For more on <i>Governance</i> refer to page 68.</p>	<ul style="list-style-type: none"> <li>Council spent \$1.45 million on the <i>Advocacy and Partnerships</i> objective.</li> <li>Attended 100% of Regional Cities Victoria Meetings.</li> </ul> <p>For more on <i>Advocacy and Partnerships</i> refer to page 72.</p>	<ul style="list-style-type: none"> <li>Council spent \$3.88 million on the <i>Regulation and Accountability</i> objective.</li> <li>Processed 100% of Freedom of Information requests within statutory timeframes.</li> </ul> <p>For more on <i>Regulation and Accountability</i> refer to page 78.</p>
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For more financial information, see the Financial Report page 102.



## CAPITAL WORKS HIGHLIGHTS

*During 2012/13 Council delivered a capital budget of almost \$30 million. Highlights for 2012/13 include new and upgraded infrastructure projects, demonstrating our commitment to high quality and well planned built environment outcomes for our community.*

### ★ During 2012/13 Latrobe City Council:

- Invested \$3,756,267 into the Local Road Reseal Program.
- Invested \$2,432,027 into the Road Rehabilitation Program.
- Invested \$919,633 into the Footpath Replacement Program.
- Invested \$640,249 into the Kerb and Channel Replacement Program.

### Power line Relocation and Rest Station – Moe Rail Precinct Revitalisation Project (MRPRP)

2012/13 EXPENDITURE:	\$2,690,890
TOTAL PROJECT COST:	\$2,690,890

Overhead power lines and poles relocated underground in George Street Moe resulting in improved visual amenity and lighting for pedestrian and traffic safety.

Final works including decommissioning of the overhead lines and poles to be finalised in July 2013.

A rest station in George Street Moe was opened during the year which provides unisex and accessible toilets and baby change facilities.

The station incorporates seating and a shelter, benefiting public transport users.

### Franklin Street Bridge Replacement, Traralgon

2012/13 EXPENDITURE:	\$1,767,563
TOTAL PROJECT COST:	\$2,167,334

Completed the Traralgon Franklin Street Bridge replacement in early 2013, with a new two span reinforced concrete bridge constructed.

Being one metre higher than the old bridge and the river bed widening works will allow the bridge to remain operational during most flooding events.

Pedestrian and cyclist safety improvements include a secure off road shared path, bollards and LED lighting on the barriers.



Images (L to R): Yinnar Skate Park,  
Glengarry Tennis and Netball Court  
resurfacing, Hourigan Road Rehabilitation

### Stage one Hourigan Road Rehabilitation

**2012/13 EXPENDITURE:** \$1,296,735

**TOTAL PROJECT COST:** \$1,301,238

Completed the Hourigan Road east-bound road reconstruction in early 2013, a vital element of the east-west link in Morwell.

Works included in excess of 3,200 m<sup>3</sup> of unsuitable material excavated and replaced.

A total road surface area of 4,320 m<sup>2</sup> was sealed and asphalted with drainage, property connections and kerb and channel upgraded.

Cyclist safety improvements included incorporation of a bicycle lane.

### Latrobe Regional Airport – Prototyping Factory

**2012/13 EXPENDITURE:** \$1,639,028

**TOTAL PROJECT COST:** \$1,836,740

Officially opened in December 2012.

Providing extra capacity and opportunities, the factory is expected to assist with job creation, retention and expertise.

The 1,250 m<sup>2</sup> factory will support GippsAero to conduct prototyping of its GA-18 commercial aircraft, with capacity to develop other aircraft in to the future.

Other complimentary works were also completed including upgrades and repairs to runways, taxiways and a new helipad.

### Glengarry Tennis and Netball Court resurfacing

**2012/13 EXPENDITURE:** \$379,403

**TOTAL PROJECT COST:** \$386,524

Reconstruction of four new tennis courts, two multiuse for netball, were completed.

Upgrades including new lighting, fencing, subgrade, asphalt and drainage assets, and a refurbished park/playground area.

Works will accommodate the growing community and local sporting events.

Funded by State Government, Latrobe City Council and donations from the Glengarry community.

### Boolarra Multipurpose Building

**2012/13 EXPENDITURE:** \$486,861

**TOTAL PROJECT COST:** \$523,850

Renovations and extensions have resulted in a modern and versatile facility to suit a range of community groups.

Versatile meeting spaces and storage rooms, a new kitchen, upgraded fixtures, improved insulation, heating and cooling, and upgraded medical clinic facilities are now provided.

Funded by the Victorian Government and the Victorian Bushfires Appeal Fund following the Delburn and Black Saturday Bushfires in 2009.

INTRODUCTION



## EVENTS *Highlights*

### Significant Events in 2012/13

- 9 international events
- 11 national events
- 17 state events
- over 25 significant community and cultural events

### Event Highlights and Economic Impact

The annual economic benefit derived as a result of Latrobe City Council supporting 14 significant events was over \$9.2 million.



### Southern University Games

2 - 6 July 2012

- 1,400 competitors from Victoria, South Australia and Tasmania.
- Delivered by Australian University Sport with support from Latrobe City Council.
- Returning after several years and setting a new standard for future Games.

<b>DIRECT SPEND ECONOMIC IMPACT:</b>	<b>\$1,253,650</b>
<b>INDIRECT SPEND ECONOMIC IMPACT:</b>	<b>\$626,825</b>
<b>TOTAL ECONOMIC BENEFIT:</b>	<b>\$1,880,475</b>

### 2012 FIBA Ocean Pacific Youth Basketball Championships

24 November - 2 December 2012

- 16 teams from 16 Oceania countries and over 200 competitors.
- Held at Latrobe Leisure Churchill, and the athlete's village at Monash University.
- A celebration of culture, knowledge building and relationships.

<b>DIRECT SPEND ECONOMIC IMPACT:</b>	<b>\$698,002</b>
<b>INDIRECT SPEND ECONOMIC IMPACT:</b>	<b>\$349,001</b>
<b>TOTAL ECONOMIC BENEFIT:</b>	<b>\$1,047,003</b>

Images (L to R): Southern University Games Womens Volleyball, FIBA Ocean Pacific Youth Basketball Championships, Southern University Games Cheerleaders

**Loy Yang Power  
Traralgon International Victorian  
Championships**

10 - 17 January 2013

- Grade 1 International Tennis Federation tournament is a lead up to the Australian Open.
- Some of the best juniors in the world competing.
- Held at the Traralgon Tennis Complex for the 20<sup>th</sup> consecutive year.

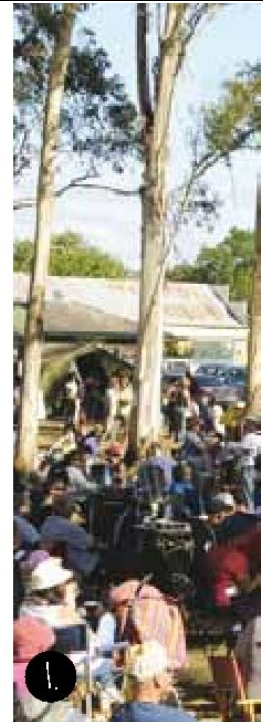
<b>DIRECT SPEND ECONOMIC IMPACT:</b>	<b>\$1,008,402</b>
<b>INDIRECT SPEND ECONOMIC IMPACT:</b>	<b>\$504,201</b>
<b>TOTAL ECONOMIC BENEFIT:</b>	<b>\$1,512,604</b>

**Victorian Country Basketball  
Future Stars Championships**

6 - 8 April 2013

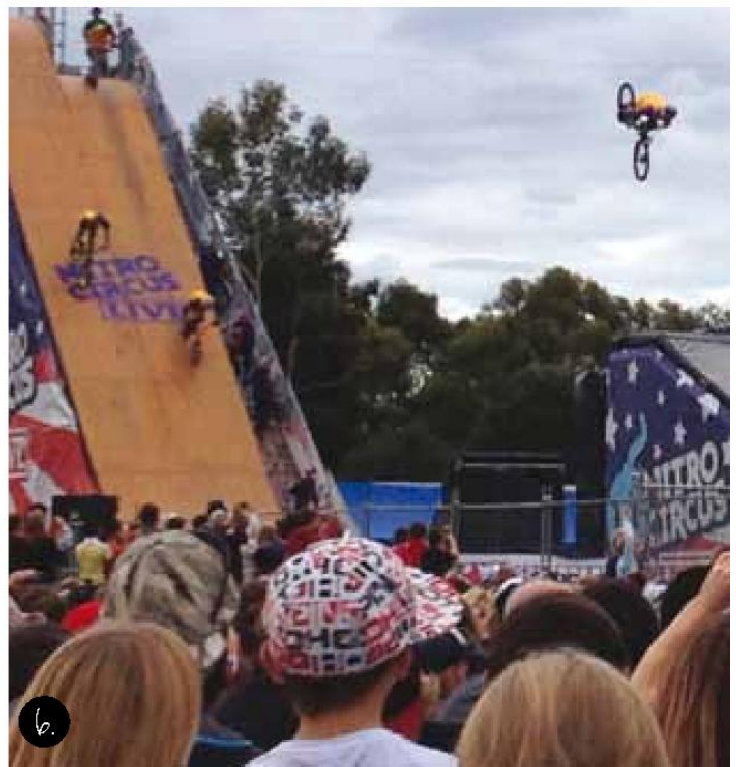
- Delivered by Latrobe City Council, Traralgon Amateur Basketball Association and Basketball Country Victoria.
- Regional Victoria's best boys and girls (under 12 years) basketball teams competed.
- Three days of competition resulted in four divisional titles awarded.
- Basketball Country Victoria has confirmed the event is returning in 2014.

<b>DIRECT SPEND ECONOMIC IMPACT:</b>	<b>\$1,059,261</b>
<b>INDIRECT SPEND ECONOMIC IMPACT:</b>	<b>\$529,630</b>
<b>TOTAL ECONOMIC BENEFIT:</b>	<b>\$1,588,829</b>

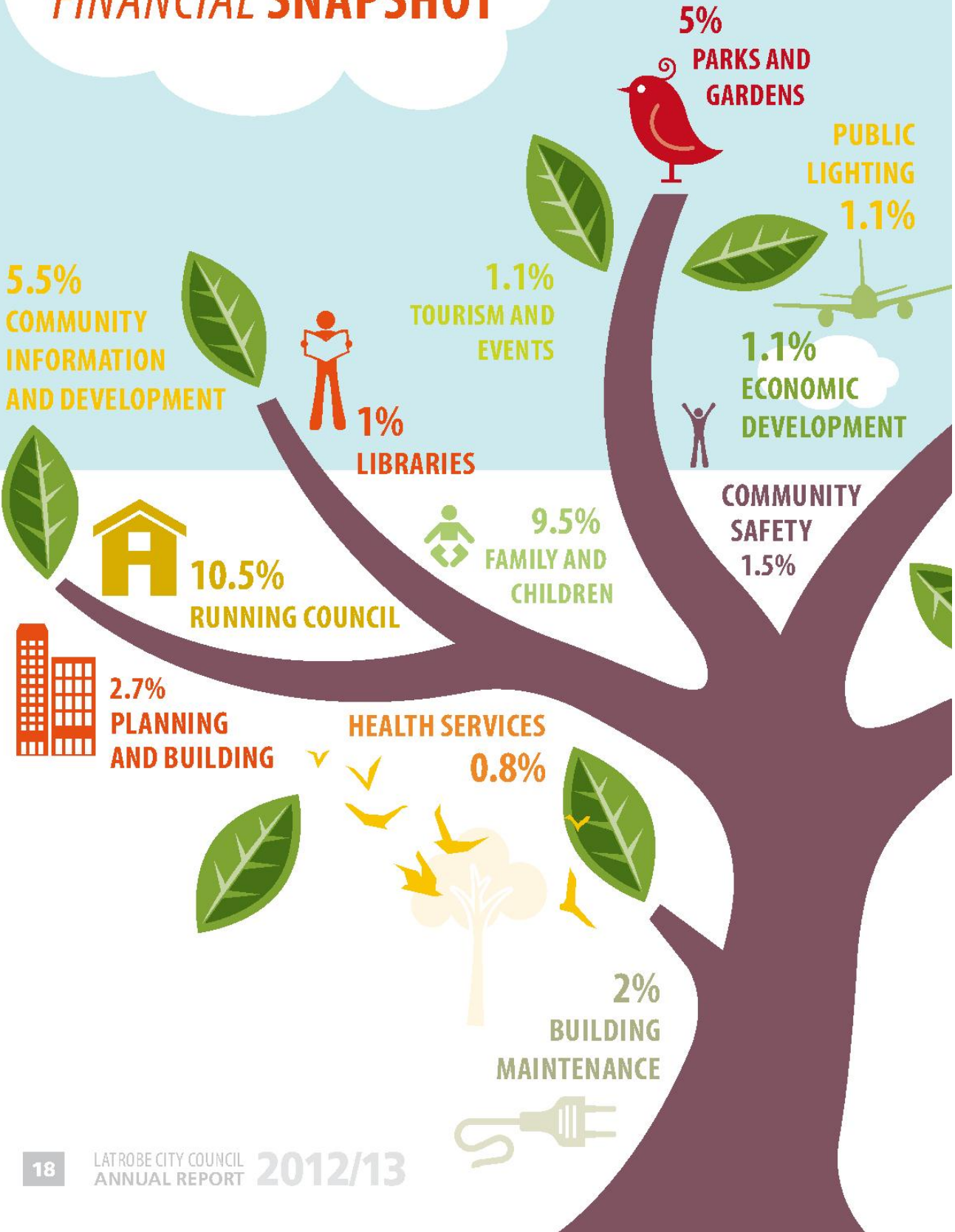


Images:  
 1. Boolarra Folk Festival, March 2013, attendance = 1,900  
 2. Red Hot Summer Tour, February 2013, attendance = 3,500  
 3. Australia RAFFA Championships, January 2013, attendance = 374  
 4. 2012 Sister Cities Festival, October 2013, attendance = 1,500  
 5. 2012 Tour of Gippsland, August 2012, spectators = 1,300  
 6. Nitro Circus, March 2013 attendance = 7,500



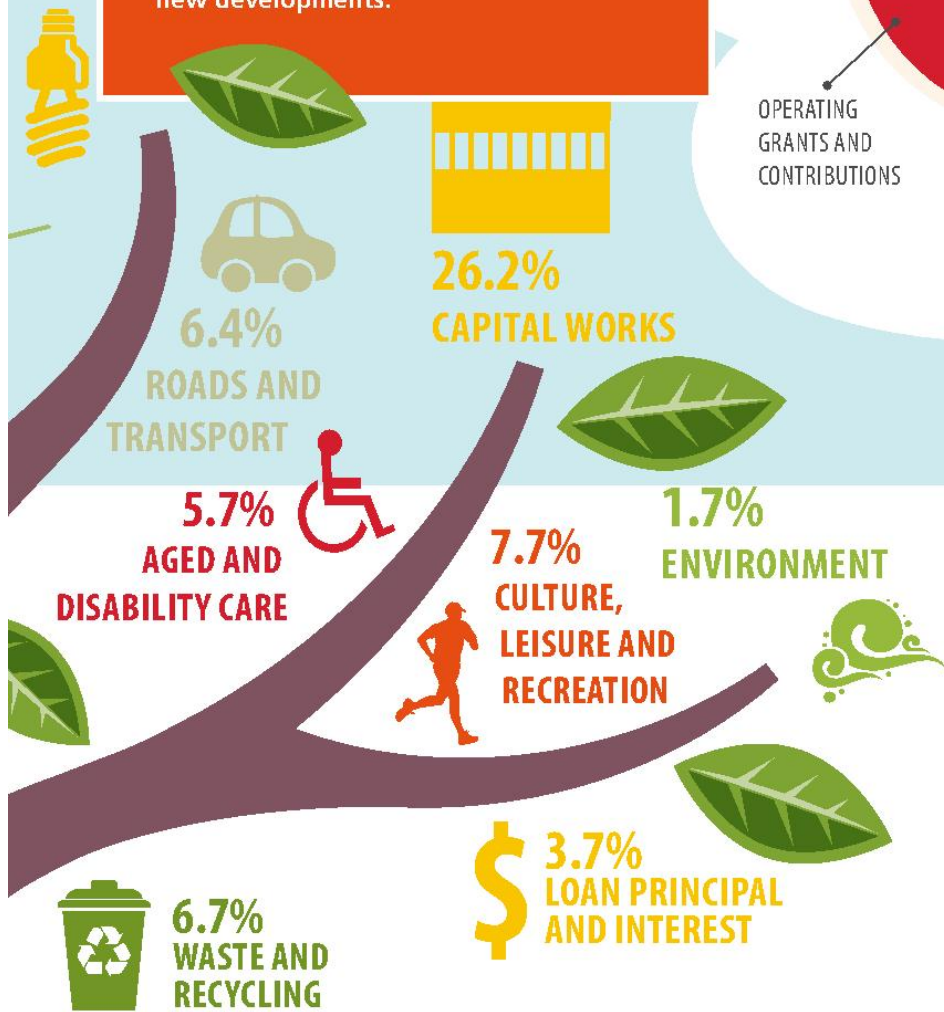
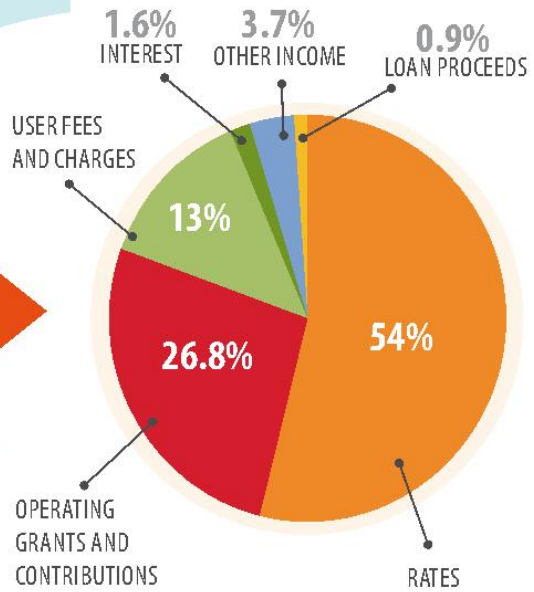


# 2012/13 FINANCIAL SNAPSHOT



## Where does the money come from?

The pie chart provides an overview of Council's various recurrent income sources, including municipal rates, government grants, fees and charges and financial contributions made in support of new developments.



## Where does the money go?

The diagram outlines how Latrobe City Council allocates available resources for the provision of over 100 services and programs to the community.

*(NOTE: The figures include overheads but exclude depreciation)*

## FINANCIAL Position

Latrobe City concluded 2012/2013 in a strong financial position. All the key financial indicators demonstrate that Council is being managed in a financially prudent and responsible manner. The financial statements have been audited by the Victorian Auditor-General and endorsed by Council's Audit Committee. Council continues to strive to deliver a high level of value for the community.

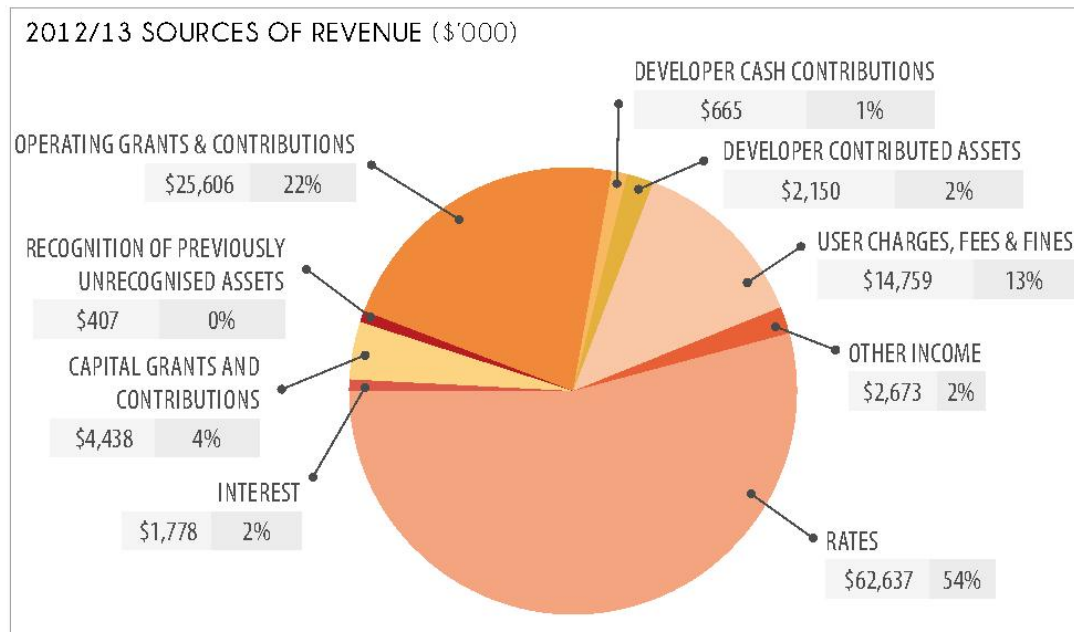
A key financial challenge for Latrobe City Council into the future is to continue to deliver community services and programs whilst balancing the need to invest in infrastructure to ensure Latrobe City remains a community with high levels of liveability and sustainability.

Please refer to pages 102-189 for the 2012/13 full Financial Report

### Income

Latrobe City Council's total income for the 2012/13 year was \$115.113 million (4% favourable to the original budget). The main factors contributing to this favourable result were, higher than expected operating grants, interest income and developer contributions together with the initial recognition of some non-monetary assets.

A breakdown of Latrobe City Council's income sources, shown below, highlights the reliance on rate revenue to fund community services and the renewal of community assets.

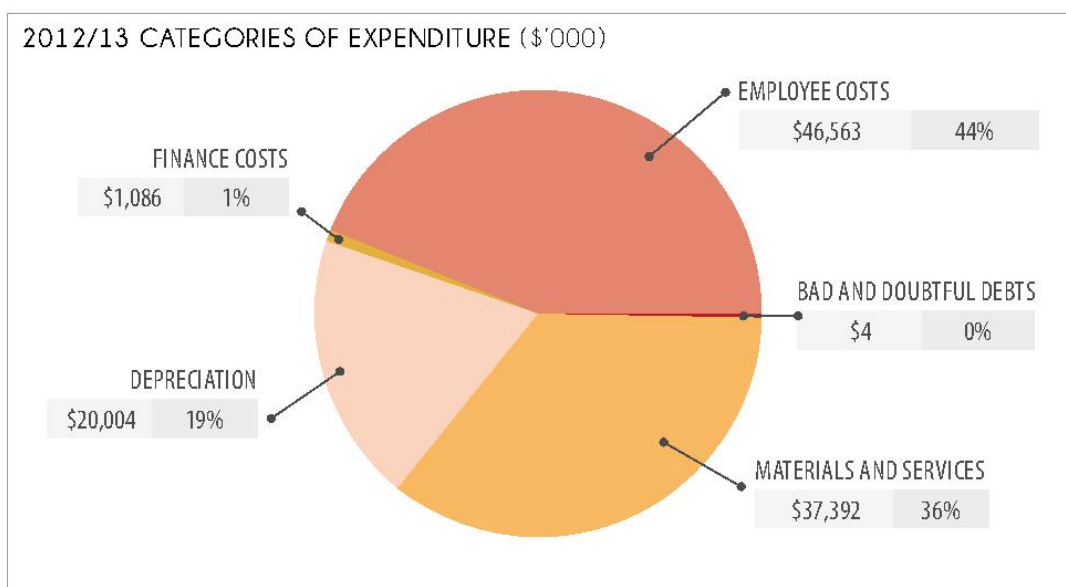


## Expenses

Latrobe City Council's total expenditure for the 2012/13 year was \$105.590 million (\$2% under budget). The main factors contributing to this favourable variance were lower than expected materials and services due to some project and program funding remaining unexpended and to be carried over to be spent in the 2013/2014 financial year together with some budgeted operating expenditure being reclassified to capital expenditure. The other largest variance was in depreciation and amortisation due to later than expected commissioning of the new landfill cell.

Further explanation of variances to budget can be seen in the notes to the Standard Income Statement, refer to page 162.

A breakdown of expenditure categories is shown below. The graph highlights that 80% of total spending relates to materials, services and employee costs.



## Financial Strength

The Statement of Financial Position indicates that Latrobe City Council continues to be in a sound financial position, with a healthy Working Capital Ratio, as shown in the graph.

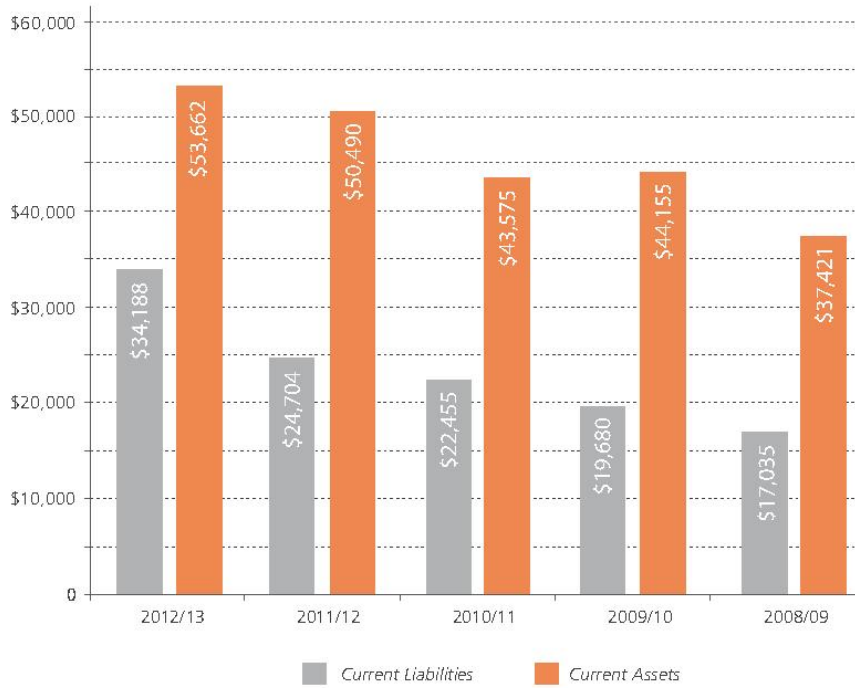
The Working Capital Ratio assesses Council's ability to meet current commitments and is calculated by measuring current assets against current liabilities. Council's ratio of 1.57:1 is an indicator of a sound financial position, having \$1.57 of current assets for every \$1 of current liabilities. The level of working capital over the past five years shows that Council's ability to meet current commitments has remained strong. The larger than normal increase in current liabilities in 2012/2013 is due to Council's unfunded superannuation liability which is due for payment in July 2013, this obligation will be funded by new borrowings budgeted in the 2013/2014 financial year.

Total equity increased to \$1,022.232 million as at 30 June 2013, an increase of \$101.044 million from the previous year. This was due to an operating surplus for the year of \$9.523 million together with Asset Revaluation Reserve movements of \$91.521 million.

**Cash**

Council had a net overall cash outflow for the year of \$60,000 compared to a budgeted net cash outflow of \$7.850 million. This favourable variance is primarily the result of advanced government funding received for projects together with several major capital works projects that will be completed in 2013/14.

**WORKING CAPITAL RATIO (\$'000)**

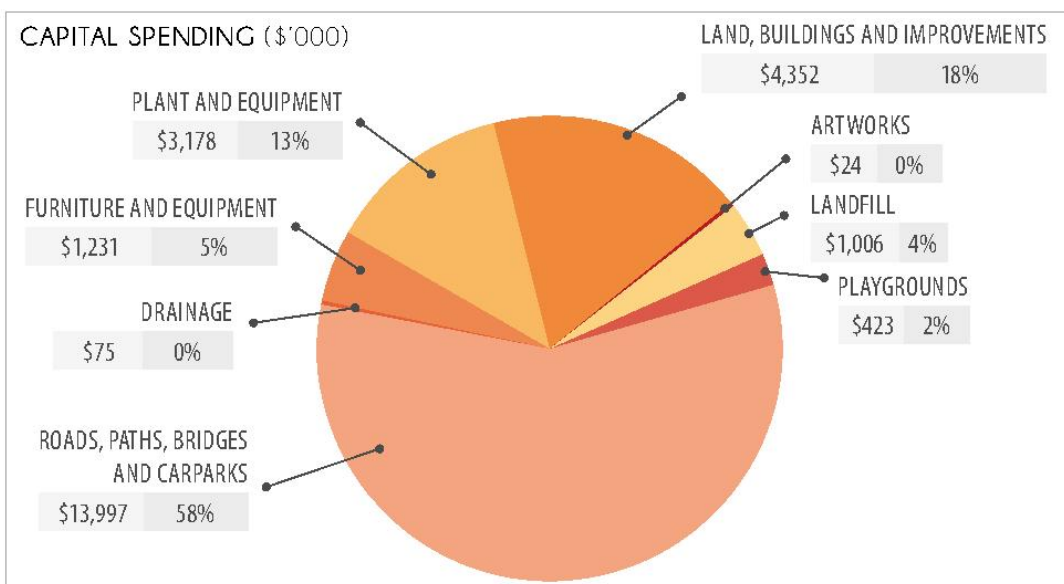


**NET ASSETS (\$'000)**



### Capital Spending

Latrobe City Council's continuing commitment to renewing existing infrastructure is highlighted in the graph below. Capital expenditure during 2012/13 was \$24.286 million. A large proportion of this was spent on roads and associated works (58%) and land, buildings and improvements (18%).



### Looking Ahead - Financial Planning

The Council Plan 2013-2017, supported by the Strategic Resource Plan, is a four year strategic plan targeting allocation of resources to meet the strategic objectives set by Council. A key driver of the Strategic Resource Plan is the Ten Year Financial Plan. The Strategic Resources Plan expresses the strategic objectives and strategies of the Council Plan in financial terms. The table below depicts key financial information as forecast in Council's Strategic Resource Plan.

Latrobe City Council projects a surplus will continue to be achieved over the four years of the Plan which will provide a sustainable level of funding for the renewal and refurbishment of community assets.

The net cash inflow/(outflow) is indicative of Council's ability to maintain its day to day operations in the longer term together with providing cash funding for the Capital Works Program. The financial year 2012/13 indicates a decrease in cash at year end. This is reflective of several major capital works projects that have been funded in prior years together with government grants advanced to council that are to be completed/spent in 2013/14.

	ACTUAL			BUDGET	FORECAST		
	10/11	11/12	12/13	13/14	14/15	15/16	16/17
<b>Financial Performance</b>							
Rate Revenue	54,547	58,762	62,637	66,530	70,748	74,787	79,053
Total Revenue	112,927	113,545	115,113	121,035	126,020	133,736	130,077
Total Expenditure	96,825	107,322	105,590	109,525	110,975	116,025	120,104
Net Result for Year	16,102	6,222	9,523	11,510	15,045	17,711	9,973
<b>Cash Flows</b>							
Surplus from Operations	32,922	35,479	31,824	22,460	35,390	39,524	33,865
Capital Expenditure	32,784	23,050	24,286	41,216	33,234	39,258	33,856
Net cash inflow/(outflow)	(2,740)	12,423	(60)	(13,985)	197	404	1,188

For more financial information, see the Financial Report page 102.

# ABOUT COUNCIL

## THE ROLE OF COUNCIL

Latrobe City is made up of four wards (*Central, East, West, South*). With nine councillors elected on 27 October 2012 for a four year term, 'Council' is the formal decision making body. Council is responsible for setting the organisation's direction and overseeing its performance on behalf of the Latrobe City community. This involves a strategic role in leading and developing the Council Plan, Annual Budget, Long Term Financial Plan, strategies and plans and policy setting.

Management of day to day operational matters is the role of the Chief Executive Officer, under delegation of the Council in accordance with the *Local Government Act 1989*. Performance of the organisation is monitored by the Council including monthly and quarterly performance and financial reports.

An independent review of the ward structures was completed in March 2012, which resulted in a change from a nine wards to four wards, effective from 27 October 2012. Each of the nine councillors represents on average 5,979 voters.







## Our Councillors

### Central Ward

Cr Graeme Middlemiss *first elected 1997*  
Cr Christine Sindt *first elected 2012*

### East Ward

Cr Dale Harriman *first elected 2011*  
Cr Sandy Kam (Mayor\*) *first elected 2007*  
Cr Kellie O'Callaghan *first elected 2008*  
Cr Michael Rossiter *first elected 2012*

### South Ward

Cr Darrell White *first elected 1997*

### West Ward

Cr Peter Gibbons *first elected 2012*  
Cr Sharon Gibson (Deputy Mayor\*) *first elected 2010*

\*The Mayor and Deputy Mayor were elected at the Ordinary Council Meeting held on 7 November 2012.

Thank you to outgoing councillors Lisa Price, Bruce Lougheed and Ed Vermeulen who served between July 2012 and October 2012.

Image: (back row) Cr Darrel White, Cr Graeme Middlemiss, Cr Michael Rossiter, Cr Christine Sindt, Cr Dale Harriman, (front row) Cr Kellie O'Callaghan, Cr Sharon Gibson, Cr Peter Gibbons, Cr Sandy Kam

Images (opposite): Latrobe City Council Staff,  
Moe township, Commercial Road Morwell

## Council Meetings & Decisions

Council decisions are made at either an Ordinary Council Meeting, held on the first and third Monday of each month except January, or appropriately designated Special Council Meeting, which are called for urgent matters. Meetings are open to the public, unless the Council resolves to close the meeting in accordance with guidelines of the *Local Government Act 1989*.

Council meetings are held at 5.30 pm in the Nambur Wariga Meeting Room, Corporate Headquarters Morwell. Meetings are open to the public and media (except for some parts and some special meetings) and are advertised in The Latrobe Valley Express newspaper and Council's website. Public question time takes place at 5.30 pm each meeting.

Councillors also meet on the second and fourth Monday of the month for a closed Issues and Discussion Session. During 2012/13, Councillors attended the following meetings:

Councillor	Ordinary Council Meeting	Special Council Meeting
Cr Graeme Middlemiss	22/22	7/7
Cr Christine Sindt*	13/13	3/4
Cr Dale Harriman	22/22	5/7
Cr Sandy Kam	21/22	6/7
Cr Kellie O'Callaghan	22/22	5/7
Cr Michael Rossiter*	13/13	4/4
Cr Darrell White	21/22	7/7
Cr Peter Gibbons*	13/13	4/4
Cr Sharon Gibson	20/22	7/7

\* Elected in October 2012.

The Council Meeting schedule, agendas and minutes are available at [www.latrobe.vic.gov.au](http://www.latrobe.vic.gov.au)

## Councillor Representation on Committees

Councillors are appointed as Council representatives on a range of special interest committees. Latrobe City Council currently has three Special Committees formulated pursuant to *Section 86 of the Local Government Act 1989*; Churchill and District Community Hub Board, Latrobe Regional Airport Board, and the Yallourn North Community Housing Committee. Council also has a range of sub-committees pursuant to other legislation and a further range of advisory and community committees and working groups.

For a full list of official councillor appointments on these committees refer to page 92.



*Images: Launch of new Latrobe City Council garbage collection trucks (Cr White), Franklin Street Bridge Construction (L-R, Cr O'Callaghan, Cr Harriman), Moe Rest Station (L-R, Cr Gibbons, Cr Kam, Cr Gibson).*





## Code of Conduct

Councillors are bound by a Code of Conduct. The Code establishes the rules of ethical behaviour, relationships between Councillors and staff, and dispute resolution during their term of office. The Code was adopted by Council on 16 November 2009 and can be viewed on Council's website. A review of the code is currently under way and is expected to be completed by October 2013.



## Audit Committee

The primary role for the Audit Committee is to provide an independent review of Council's financial and management systems and reporting responsibilities. It also ensures compliance with statutory rules and regulations and oversees an effective and efficient audit system both internally and externally. It is comprised of two independent external members and two Councillors (for more refer to page 90).

## Councillor Allowances

From July 2012 to 26 October 2012 the Mayoral allowance was \$67,634 and the Councillor allowance \$21,859 per annum, plus the equivalent of the superannuation guarantee contribution of 9%.

On 26 October 2012, the Department of Planning and Community Development (refer circular No. 39/2012) advised all Council's that a notice was published in the Government Gazette on 26 October 2012, providing for a 2.5% adjustment to apply to all Mayoral and Councillor allowances taking effect from 27 October 2012. Under Section 73B (5) of the *Local Government Act 1989*, a Council must increase the Mayoral and Councillor allowances by this 2.5% adjustment.

Consequently, from the 27 October 2012 the Mayoral and Councillor allowances were increased to \$69,325 and \$22,405 per annum respectively, plus the equivalent of the superannuation guarantee contribution of 9%.

As a general election was held on 27 October 2012, in accordance with section 74(1) of the *Local Government Act 1989*, there was a requirement for Council to review and determine the level of Councillor and Mayoral allowances within a period of 6 months from the date of the election. This review was undertaken and at the ordinary council meeting held on 4 February 2013, Council resolved to set the Mayoral allowance to \$67,634 and the Councillor allowance to \$21,859 per annum from this date, plus the equivalent of the superannuation guarantee contribution of 9%.

In addition to their allowances, Councillors receive for Council use a mobile phone, laptop computer, iPad and printer/fax. They may also claim expenses incurred while performing their duty as Councillors and utilise office administration and support. The Mayor also receives a vehicle for the duration of his or her term, a dedicated office and support from an assistant.

## Delegated Decision Making

A vital element in assisting Council administration to function effectively and efficiently is the delegation from Council to special committees of Council and the Chief Executive Officer under the *Local Government Act 1989*. This allows Council to focus on policy direction whilst the Chief Executive Officer implements these directions as part of day to day operations.

On 16 November 2009, Council delegated to the Chief Executive Officer a set of powers and duties.

## Assembly of Councillors

Any scheduled meeting between five or more councillors and one council staff member, or an advisory committee meeting with one councillor present, is considered an 'Assembly of Councillors' under the *Local Government Act 1989*. A record of each 'Assembly of Councillors' is tabled at every Ordinary Council Meeting.

Images (opposite page):  
Councillor Oath of Office,  
TRAMPS Heartstart recipients  
(Cr Kam)

# OUR EMPLOYEES

## Organisational Structure

Latrobe City Council continually strives to provide an efficient and effective organisational structure which will support the delivery of Latrobe 2026 and the Council Plan to strategically meet the challenges of the future as well as deliver good governance and quality services. Each division is led by a General Manager, reporting to the Chief Executive Officer (CEO).

COMMUNITY

COUNCIL



**Paul Buckley PSM\***  
Chief Executive Officer

Paul's portfolio includes:  
- Organisational Leadership

**Grantley Switzer\***  
General Manager  
Recreational, Culture  
and Community  
Infrastructure



Grantley's portfolio includes:

- **Manager Recreational Liveability - Jamey Mullen\***
  - Leisure Facilities
  - Recreation Liaison and Ovals
  - Recreation and Open Space Planning
- **Manager Cultural Liveability - David Elder\***
  - Events
  - International Relations
  - Arts
- **Manager Infrastructure Operations - Jody O'Kane\***
  - Building Maintenance
  - Infrastructure Maintenance
  - Parks, Gardens and Playgrounds
- **Manager Infrastructure Development - Damian Blackford\***
  - Major Projects
  - Infrastructure Design
  - Infrastructure Planning
  - Civil Works Projects

**Michael Edgar\***  
General Manager  
Community Liveability



Michael's portfolio includes:

- **Manager Community Information Services - Julie Kyriacou\***
  - Community Information
  - Libraries
  - Local Laws
- **Manager Child and Family Services - Jodie Pitkin\***
  - Early Learning and Care
  - Early Childhood Health and Development
- **Manager Community Development - Steve Tong\***
  - Community Strengthening
  - Social Inclusion
  - Employment Development
  - Emergency Management
- **Manager Community Health and Wellbeing - Helen Taylor**
  - Environmental Health
  - Aged and Disability
  - Social Support
- **Manager Healthy Communities - Regina Kalb**
  - Healthy Communities
  - Healthy Workforces
  - Healthy Children



Images: Latrobe City Council staff

**Carol Jeffs\***  
General Manager  
Governance



Carol's portfolio includes:

- **Manager Council Operations, Legal Counsel - Tom McQualter\***
  - Legal Advice, Support and Facilitation
  - Council Operations
  - Property and Statutory Services
- **Manager Risk and Compliance - Allison Down**
  - Strategic Risk and Compliance
  - Occupational Health and Safety
- **Manager Finance - Matthew Rogers\***
  - Property and Rates
  - Procurement
  - Accounting Services
  - Payroll
- **Manager Community Relations - Jacinta Saxton\***
  - Communications
  - Community Engagement
- **Manager City Planning - Chris Wightman\***
  - Strategic Planning
  - Statutory Planning
  - Building Services

**Zemeel Saba\***  
General Manager  
Organisational  
Excellence



Zemeel's portfolio includes:

- **Manager Corporate Strategy - Nathan Misiurka**
  - Corporate Planning and Reporting
- **Manager Corporate Strategy Projects - Michelle Franke**
  - Corporate Projects
- **Manager People and Development - Linda Christy**
  - Human Resources
  - Learning and Development
- **Manager Information Services - Steve McIlhattan**
  - Information Management
  - Information Technology
  - Graphical Information Systems

**Allison Jones\***  
General Manager  
Economic  
Sustainability



Allison's portfolio includes:

- **Manager Economic Development - Geoff Hill**
  - Business Development
  - Tourism
- **Manager Latrobe Regional Airport - Neil Cooper**
  - Latrobe Regional Airport
- **Manager Regional Partnerships - Julia Agostino**
  - Regional Partnerships
- **Manager Natural Sustainability and Environment - Deirdre Griepsma\***
  - Waste Services
  - Landfill Services
  - Environmental Services

*\*Senior Officers in accordance with the Local Government Act 1989, for more information refer to page 30.*

# Employee Profile

*Latrobe City Council is committed to attracting, developing and retaining employees with a diverse range of qualifications, abilities and a passion for quality services to the community. We value our people and recognise this formally in our Organisational Excellence @ Latrobe Strategy, for more refer to page 83.*

Our workforce is made up of a total of 1,015 employees, who all play a vital role in contributing to the organisation's success. As at 30 June 2013, employees included:

## EMPLOYEES BY TYPE

	2011/12	2012/13
Full Time Staff	338	401
Part Time	372	354
Casual	223	260
Total	933	1015
Full Time Equivalent (FTE) <sup>1</sup>	518	555

## WORKFORCE PROFILE

	2011/12	2012/13
Female	74%	74%
Male	26%	26%
17-30 year olds	23%	25%
31-50 year olds	41%	43%
51-70 year olds	35%	33%
70 + years	1%	0.9%
Turnover rate <sup>2</sup>	7.2%	4.7%
Senior Officers <sup>3</sup>	1.7%	1.7%

<sup>1</sup> Increase of 7.1% FET's from 2011/12 is in response to demand for services predominately in Healthy Communities, Home and Community Care and Child and Family Services

<sup>2</sup> Including seasonal and casual staff

<sup>3</sup> In accordance with the *Local Government Act 1989*



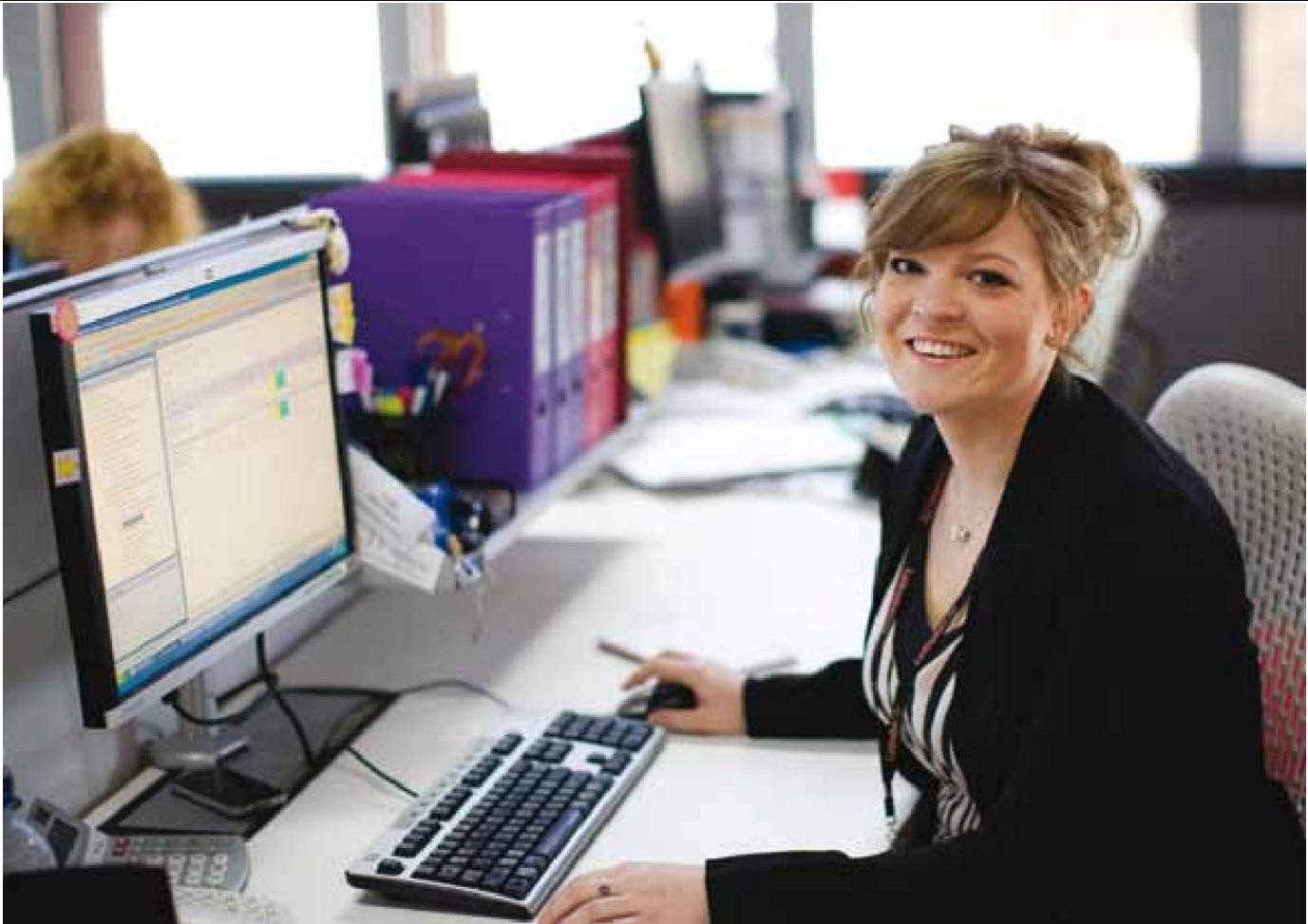


Image: Latrobe City Council staff

## Equal Employment Opportunity (EEO)

Latrobe City Council is committed to providing an employment environment free from discrimination, harassment and bullying. All employees, contractors, volunteers and agents are entitled to be treated fairly and equitably on the basis of their abilities and merit. To support a discrimination-free workplace an EEO Committee, training for leadership staff, frameworks and procedures, and a Corporate Induction Program are provided. During the past financial year our EEO Framework was reviewed and training delivered for current and new staff.

No direct complaints in relation to breaches of EEO legislation were received during the 2012/13 financial year.

## Industrial Relations

Latrobe City Council Enterprise Agreement 2012-2015 was negotiated, submitted and subsequently approved by Fair Work Australia in August 2012 with an expiry date of 30 July 2015. This negotiation consisted of Employee Consultative Committee members and nominated employee bargaining representatives.

# AWARD HIGHLIGHTS

## Awards Achieved 2012/13

Latrobe City Council promotes a culture of performance excellence, continuous improvement and innovation resulting in great outcomes for our community. Awards achieved during 2012/13 include:



**Julia Agostino**, Manager Regional Partnerships

**2012 Churchill Fellowship Winner**  
July 2012

Awarded for the project "Local Government Strategies for Transitioning Communities"



**Gagan Singh**, IT Network Administrator  
**Municipal Associations Victoria Local Government Information Communication and Technology Individual Achievement Award Finalist**  
August 2012

For Leadership of the IT Disaster Recovery Project

### Information Technology Team

**Municipal Associations Victoria Local Government Information Communication and Technology Environmental Sustainability Award Winner**

August 2012

Awarded for implementing significant cost savings in printing and copying

**Latrobe City Council** (in partnership with Wellington Shire Council)

**2012 Parks and Leisure Australia National Award, Inclusive and Connected Communities Winner**

August 2012

Awarded for the Grand Strezelecki Track project

### International Relations Program

**Sister Cities Australia National Awards - Youth Project "Sports Exchange Program" Winner**

November 2012

Awarded for the Judo Sports Exchange Program to Takasago Japan

### Corporate Strategy Department

**2012 Local Government Professionals Excellence in Local Government - Corporate and Community Planning Award Finalist**

November 2012

Awarded for the Council Plan 2012-2016 Highlights Community Conversation Booklet, and Implementing Quality and Cost Standards projects



Image: Latrobe City Council Recovery Team

### Community Bushfire Recovery Team

#### **2012 Resilient Australia Awards - Victorian Awards Finalist**

November 2012

Awarded for Latrobe City Communities Fighting Forward

### Meals On Wheels Service

#### **Latrobe City Business Tourism Association People's Choice Awards Nominee**

June 2013

Excellence in Customer Service award

### Corporate Strategy Department

#### **Australasian Reporting Awards Local Government Category Bronze Award**

June 2013

Awarded for the Latrobe City Council Annual Report 2011/12

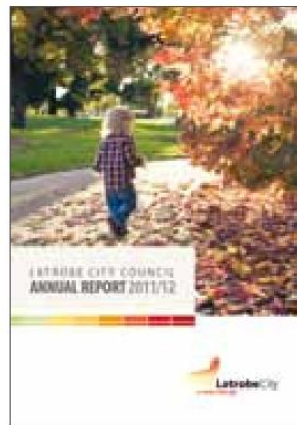


Image: Award winning Latrobe City Council Annual Report 2011/12

## Years of Service

Latrobe City Council has recently approved a framework which aims to recognise major milestones achieved by staff. Approximately 360 staff will be recognised for their contributions in the first ceremony, recognition will then take place bi-annually.



# Our Volunteers

Latrobe City volunteers make a valuable contribution to the community they live in. Volunteers assist Council in various ways supporting our capacity to deliver great quality services.

*These are just some of the ways in which volunteers have contributed in 2012/13:*

## Planned Activity Group Volunteers

Ten dedicated volunteers regularly gave their time to ensure effective service delivery to frail-aged, socially isolated and disabled clients in the program.

### Volunteering included:

- preparation of meals;
- social contact for people who may be socially and emotionally isolated; and
- transporting clients to and from program venues.

## We Care Program Volunteers

Twenty volunteers gave their time to enrich the quality of life of frail-aged and disabled residents who are socially isolated and would benefit from a regular, friendly visitor.

### Volunteering included:

- providing social contact for people who may be socially and emotionally isolated; and
- providing feedback for the purpose of monitoring the wellbeing of clients.

## Meals on Wheels Volunteers

139 dedicated volunteers were the back-bone of the Meals on Wheels Program. The program aims to provide nutritionally balanced meals to frail-aged and people with disabilities residing in their own homes.

### Volunteering included:

- ensuring timely delivery of meals to residents in the community;
- providing social contact for people who may be socially and emotionally isolated; and
- providing feedback for the purpose of monitoring the wellbeing of clients.

## Visitor Information Centre Volunteers

Eight dedicated community members volunteered at the Community Information Centres, on a regular roster including weekend shifts.

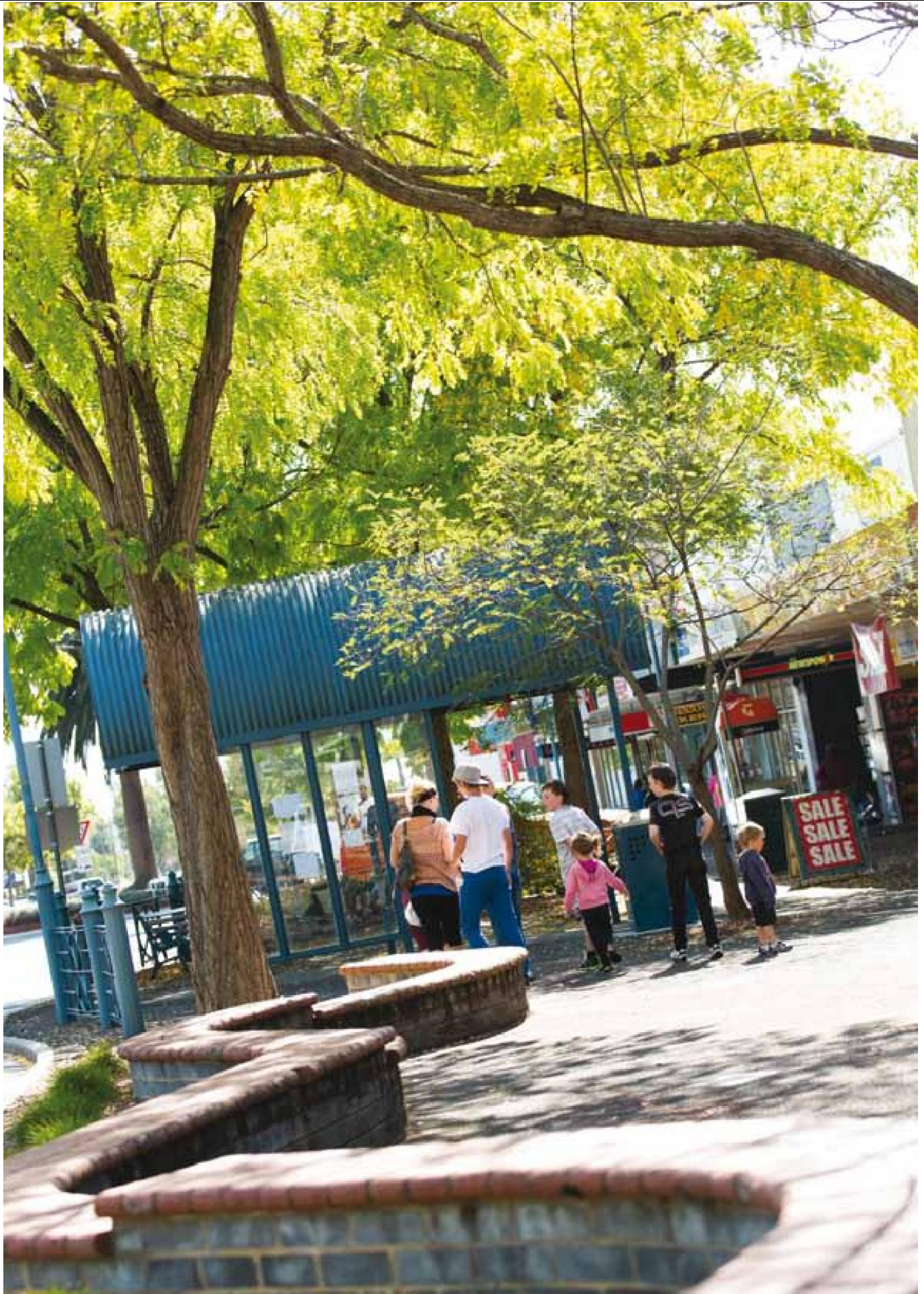
### Volunteering included:

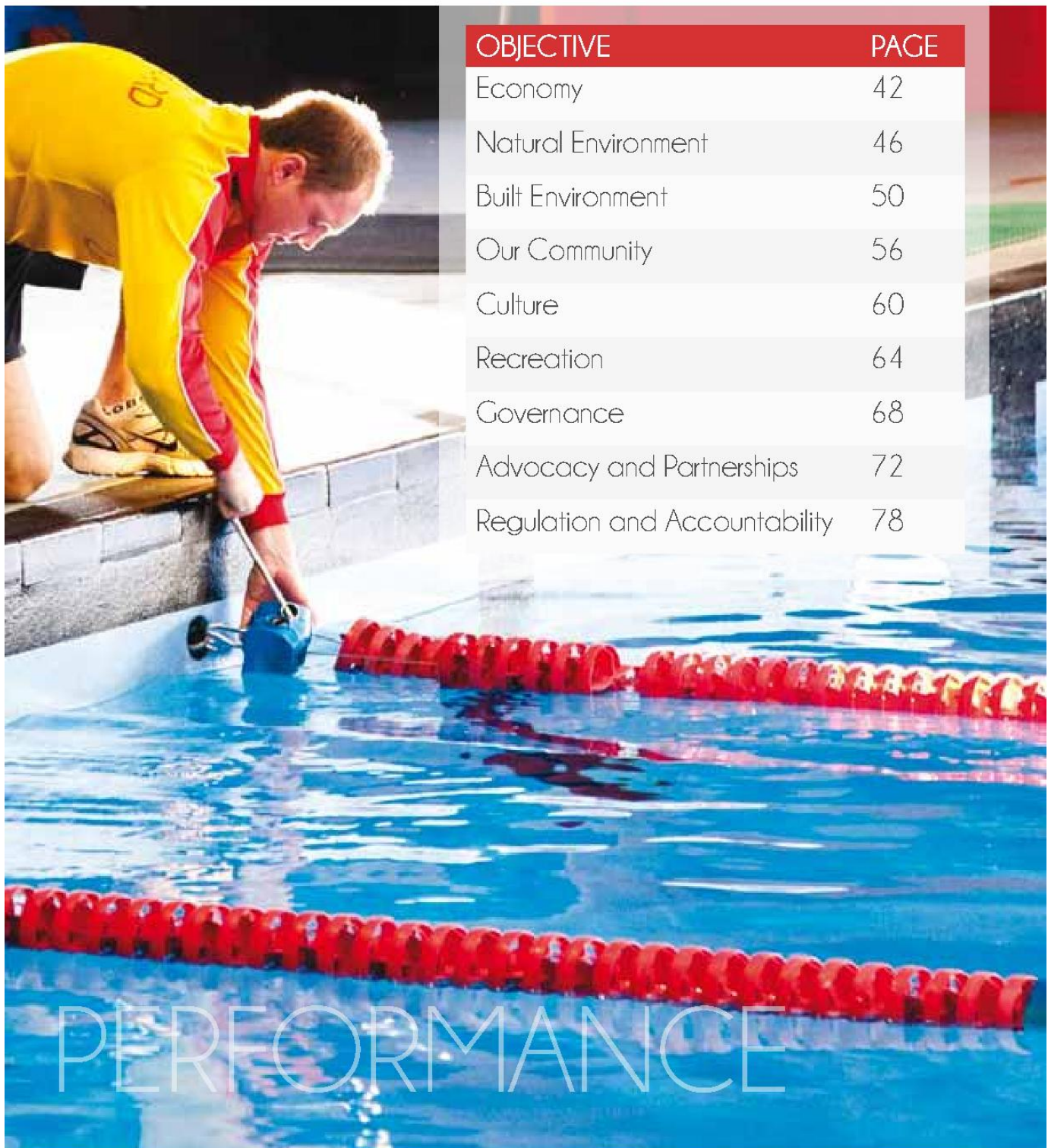
- assisting staff in the operations by providing a diverse range of high quality information to our visitors;
- assisting with such events as the Great Victorian Bike Ride; and
- maintaining daily visitor statistics and ensuring visitor surveys are conducted.

*Image (opposite page): Latrobe City Council Meals on Wheels volunteers*

# SETTING OUR DIRECTION







OBJECTIVE	PAGE
Economy	42
Natural Environment	46
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Our Community	56
Culture	60
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Regulation and Accountability	78



## How to read this section

This section of the report provides a detailed account of how we performed against the nine objectives of the Council Plan 2012-2016.

For each objective the performance is reflected through, major initiatives, services and indicators which were to be completed during the year.



## Snapshot 2012/13

Council's **overall progress** against the Council Plan 2012-2016 as at 30 June 2013:



-  **16.7%** Major initiatives **completed**
-  **57.4%** Major initiatives **ongoing**
-  **22.2%** Major initiatives **in progress**
-  **3.7%** Major initiatives **not achieved**





Image: Latrobe Regional Airport

# ECONOMY

In 2026, Latrobe Valley has a strong and diverse economy built on innovative and sustainable enterprise. The vibrant business centre of Gippsland contributes to the regional and broader economies, whilst providing opportunities for prosperity for our local community.

## Snapshot 2012/13

During 2012/13 Council **invested \$4.17 million in the Economy** objective.



-  **0%**  
Major initiatives **completed**
-  **100%**  
Major initiatives **ongoing**
-  **0%**  
Major initiatives **in progress**
-  **0%**  
Major initiatives **not achieved**

 **100% Performance Indicators** *Achieved*

**Facilitate investment attraction of new firms to contribute to economic diversification, employment creation and to meeting the challenges of a carbon constrained economy.**

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
<p>Deliver 'Positioning Latrobe City for a Low Carbon Emission Future' to maximise the opportunities for alternative technologies and non-traditional uses for coal, through support of the Low Carbon Emissions Future Transition Committee.</p>	<p>01/07/2012-30/06/2016</p> 	<p>Implementation of <i>Positioning Latrobe City for a Low Carbon Emission Future</i> continued in 2012/13 with Council continuing to lobby the State and Federal Governments for funding, resources and strengthened relationships with key stakeholders.</p> <p>Produced <i>Securing our Future 2013 – Government Investment Opportunities in Latrobe</i> to support lobbying activities with both the State and Federal Governments. This document presents Latrobe City Council's immediate opportunities to the Commonwealth and State Governments to support a proactive transition to a low carbon future, with a focus on jobs creation and economic diversification.</p> <p>The Transition Committee participated in one meeting during the financial year and was abolished by Council resolution in April 2013.</p>
<p>Advocate for the development of the Centre for Sustainable Technologies at Monash University Gippsland campus, Churchill to undertake research and development in new technologies that support sustainable resource use and strengthen the resilience and diversity of the regional economy (Supporting the <i>Gippsland Regional Plan</i>).</p>	<p>01/07/2012-30/06/2016</p> 	<p>Council has actively advocated support for Monash University's proposed Centre for Sustainable Technologies.</p> <p>Activities undertaken during the year include attending meetings with Government Ministers, departmental representatives and other stakeholders.</p> <p>Progress has been halted due to the amalgamation of Monash University Churchill campus and the University of Ballarat, to form Federation University Australia from 1 January 2014.</p>

**Promote and support the development of existing and new infrastructure to enhance the social and economic wellbeing of the municipality.**

<p>Support the extension of 'Gippsland's Gateways' project through improvements to rail, road and ports, in particular proposed rail access to the Port of Hastings, the establishment of the North East freeway link, construction of West link as an alternative to the Monash Freeway and enhance connectivity of Gippsland industries and bulk exports to Melbourne and other regions (Supporting the <i>Gippsland Regional Plan</i>).</p>	<p>01/07/2012-30/06/2016</p> 	<p>Council played an important advocacy role with a range of projects and activities undertaken in support of the <i>Gippsland Regional Plan</i>, 'Gippsland Gateways' project. These included inclusion of priority projects in the South East Australian Transport Strategy (SEATS) Strategic Network document; revision of the Gippsland Freight Plan which prioritises a range of Gippsland Gateways projects; development of a Project Plan for the Gippsland Logistics Precinct project; and presentations to the Committee for Economic Development Australia (CEDA), a Parliamentary Inquiry by the Victorian Parliament Economic Development and Infrastructure Committee and relevant government Ministers.</p>
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*Ensure well planned infrastructure that enhances the marketability of the municipality to industries, residents and investors.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Implement the Latrobe Regional Airport Master Plan to effectively develop the airport and to facilitate investment and jobs growth.	01/07/2012-30/06/2016 	<p>100% of Latrobe Regional Airport Masterplan actions for 2012/13 were implemented. The Latrobe Regional Airport Master Plan reviews the existing land use and development opportunities for the airport and surrounding areas until 2030.</p> <p>Grant funding through the Federal Government's Regional Development Australia Fund and the Victorian Government's Regional Airports Fund was used to upgrade infrastructure at Latrobe Regional Airport, to support commercial and industrial investment and facilitate jobs growth into the future.</p> <p>Projects implemented include an upgrade to the radio navigation beacon, new runway lights and landing system, resurfacing of the main runway, servicing additional industrial land and an upgrade of the main apron area.</p>

*Strengthen the economic sustainability of the region by actively encouraging partnerships with other local governments, industry and with community agencies.*

Support the implementation of the Latrobe Valley Advantage Fund and its three themes of Skilling the Valley, Attracting New Industries and Jobs and Sustainable Energy Research and Development.	01/07/2012-30/06/2016 	Council actively supported the Latrobe Valley Advantage Fund (LVAf) through participation in the Industry Link Officer initiative and Regional Development Victoria's ongoing Senior Officer Group meetings designed to support Latrobe Valley Industry and Employment Roadmap initiatives.
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### Service Provision highlights for 2012/13:

- Continued implementation of Council's low carbon transition policy and related activities, including review of Council's key lobbying document, *Securing our Future*.
- Supported a range of expansion projects by Australian Paper, Lion and GippsAero.
- Participated in the Victorian Government Super Trade Missions to China and India.
- Delivered the Accelerated Business Support program and 2013 Employment and Industry Survey.
- Maintained, developed and operated the Latrobe Regional Airport to provide a safe operating environment for general aviation, charter, flying training and emergency operations.
- Provided tourism information at event venues, ticket sales and promotion.
- Updated the Visitor Information website and introduced a tourism Facebook page.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase the average number of participants attending business training sessions which are supported by Latrobe City Council during the financial year.	15	15	17.9	✓
<i>* Council assisted with the delivery of 10 workshops and seminars for local industry which were attended by 179 representatives of local businesses.</i>				
Increase number of tourism enquiries* received by the Visitor Information Centre.	63,271	67,575	80,602	✓
<i>*Tourism enquiries increased by almost 20% from 2011/12, which well exceeded the target</i>				
Increase the number of Latrobe City business enquiries received and responded to by 5% annually.	234	279	414	✓
Increase the number of occupied industrial allotments at Latrobe Regional Airport annually.	16	19	20	✓





Image: Launch of new fleet of Latrobe City Garbage Collection Trucks

# NATURAL ENVIRONMENT

## Latrobe 2026 Community Vision

In 2026, Latrobe Valley enjoys a beautiful natural environment that is managed and protected with respect, to ensure a lasting legacy for future generations.

### Snapshot 2012/13


During 2012/13 Council **invested \$12.42 million** in the **Natural Environment** objective.





-  **33%**  
Major initiatives **completed**
-  **33%**  
Major initiatives **ongoing**
-  **0%**  
Major initiatives **in progress**
-  **33%**  
Major initiatives **not achieved**



*Collaborate with stakeholders to progress environmental sustainability initiatives aimed at reducing environmental impacts.*




MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Implement actions from the <i>Natural Environment Sustainability Strategy 2008-2013 (NESS)</i> to achieve identified biodiversity and sustainability outcomes.	01/07/2012-30/06/2013 	Objectives under the five themes and 16 action areas of the strategy were implemented with some defined outcomes achieved and others progressed with activities continuing into the future and ranged from monitoring greenhouse gas emissions through to advocating for sustainable outcomes.  A <i>NESS Snapshot Report</i> which details the Strategy's progress was presented to Council in June 2013. The report is available on Council's website. This is the final snapshot report under the current strategy document. Activity under the current NESS will continue.  A new <i>Natural Environment Sustainability Strategy</i> will be presented to Council for consideration in the 2013/14 financial year.

*Promote greater awareness of climate change to support the adaptability of the community to the impacts arising from climate change.*

Facilitate the delivery of the Latrobe City Council Climate Change Consultative Committee Action Plan.	01/07/2012-30/06/2016 	The requirement and function of the Latrobe City Council Climate Change Consultative Committee was reviewed by Council at the 20 April 2013 Ordinary Council meeting. Council resolved to discontinue the Climate Change Committee and therefore the Action Plan has not been delivered.
Support the Gippsland Climate Change Impacts and Adaptation Project to create a vision and a set of socio-economic and bio-physical opportunities which will secure Gippsland's role as a national food bowl.	01/07/2012-30/06/2016 	Stage two of the project was completed during 2012/13. Activities delivered included the completion of climate change impact modelling of a range of commodities.  Completion of this project is scheduled for 2013/14.

### Service Provision highlights for 2012/13:

- Approximately 64,000 kerbside waste bins were collected from households in Latrobe City each week.
- Over 8,200 plants were planted across 6 sites to offset emissions from Council's fleet.
- Hyland Highway Landfill operating requirements were met including waste disposal, reporting, leachate management and litter collection.
- Delivered a no charge hard waste drop off weekend in September 2012 and April 2013 and booked hard waste kerbside collection service in December 2012 and May 2013.
- Provided upgraded facilities at transfer stations with works at Moe, Morwell and Traralgon continuing as part of a four year project which commenced in 2011.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Reduce Latrobe City municipal waste to landfill by 1% annually, as a proportion of total waste collected.	43%	55.5%	54.9%	
<i>* Includes kerbside collection and transfer stations.</i>				
Increase kilometres of Latrobe City roadsides assessed and treated for weed infestations annually.	915 km	1753 km	1932 km	
<i>* 1932 km of rural roadside assessed/monitored (100% of rural roadsides), with 792 km of rural roadsides treated.</i>				
Reduce total corporate greenhouse gas (tonnes CO2 eq) emissions (scope 1, 2 and 3) compared to the previous year.	16,000	16,683	16,080	
<i>Note: this indicator replaces the energy savings measures indicator as data for the indicator could not be captured accurately.</i>				
<i>Council emissions are sourced from energy, street lighting, fleet, waste and other performance data. Council has implemented new initiatives to reduce greenhouse gas emissions during 2012/13 resulting in savings of 76 tonnes of CO2. Actions from previous years continue to take effect and bring the cumulative abatement to 806 tonnes in 2012/13.</i>				



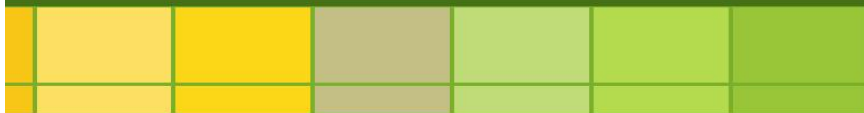




## BUILT ENVIRONMENT

### Latrobe 2026 Community Vision

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.



# Snapshot 2012/13

During 2012/13 Council invested \$33.21 million in the Built Environment objective.



- 20%**  
Major initiatives **completed**
- 50%**  
Major initiatives **ongoing**
- 20%**  
Major initiatives **in progress**
- 10%**  
Major initiatives **not achieved**

**2** **Community Satisfaction** Survey Indicators *Trended lower*



**33%** **Performance Indicators** *Achieved*

*Ensure Latrobe City Council's infrastructure is managed through a long term strategic approach to asset management.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Replace the low level Franklin Street Bridge to minimise disruptions to the Traralgon community during flooding events.	01/07/2012-30/06/2013 	The Franklin Street Bridge replacement was completed in April 2013. The new bridge is one metre higher than the old bridge to reduce flooding impacts. It also includes a shared footpath on each side of the road, as well as lighting and protective bollards for pedestrian safety.  During the construction of the bridge, Franklin Street was closed for a number of months. To ensure the community were well informed community engagement activities occurred throughout the life of the project, including letter drops, flyer distribution, advertising and illuminated signage at the site. For more information refer to Capital Works Highlights page 12.
Review the Asset Management Strategy and present to Council for consideration.	01/07/2012-30/06/2013 	A project plan has been completed to ensure compliance with the National Asset Management Assessment Framework (NAMAF).  An internal asset management steering committee was established during June 2013, and will assist in guiding the project, which is expected to be completed by December 2013.
Review the Road Management Plan and present to Council for consideration.	01/07/2012-30/06/2013 	The Road Management Plan review was completed and released for public comment during May 2013 and adopted by Council in June 2013.  This was the third revision of the Road Management Plan, with only minor changes being made since first developed in 2005.

Image (opposite page): Franklin Street Bridge Replacement

*Promote and support private and public sector investment in the development of key infrastructure within the municipality*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Finalise the Traralgon Growth Areas Review (TGAR) including the Traralgon West Corridor Precinct Structure Plan to identify long term growth and development opportunities.	01/07/2012-28/02/2013 	<p>Significant community consultation activities have occurred on the TGAR project, including over six months public exhibition of draft documents between 9 April 2012 and 16 November 2012. Other activities included community consultation workshops, one-on-one meetings with stakeholders, facilitated councillor discussions and participation in the TGAR Resident Group Meetings.</p> <p>Council facilitated information sessions in August 2012 regarding the proposed Australian Paper buffer which forms part of the exhibited TGAR documents.</p> <p>A Special Council Meeting was held on 11 February 2013 to consider all written submissions and hear TGAR submitters. As a result detailed planning assessments of the written submissions and necessary changes proposed to the draft TGAR documents have been undertaken.</p> <p>The final TGAR documents will be presented to Council in the second half of 2013 with the project scheduled for completion by the 31 December 2013.</p>
Finalise Development Plans and Development Contribution Plans for Traralgon North to ensure new communities are well planned and provided with necessary public infrastructure.	01/07/2012-30/06/2013 	<p>The draft Traralgon North Development Plan and Development Contribution Plan were on public exhibition from 5 November 2012 to 17 December 2012. This was supported by information sessions and one-on-one workshops with landowners. A total of 15 submissions were received.</p> <p>Detailed consideration of the submissions has commenced with further updates to the draft Traralgon North Development Plan and Development Contribution Plan required.</p> <p>The final documents are expected to be presented to Council for consideration in the second half of 2013.</p>

*Promote and support high quality urban design within the built environment.*

Finalise Stages two and three of the Traralgon Activity Centre Plan (TACP) to improve access, guide future land use and establish an urban design framework and parking precinct.	01/07/2012-30/12/2014 	<p>The Traralgon Activity Centre Plan Key Directions Report was presented to Council on 19 September 2011. Council resolved to defer endorsement of the Key Directions Report until a number of further actions had been completed, including the preparation of a parking precinct plan and parking strategy. The resolution also linked consideration of the Key Directions Report with Council consideration of the Traralgon Growth Areas Review.</p> <p>A draft Traralgon Car Parking Strategy has been developed and a Parking Precinct Planning Working Group was appointed to provide input into the preparation of a parking strategy. The draft Traralgon Car Parking Strategy and the draft TGAR projects are yet to be adopted by Council.</p> <p>The draft Traralgon Car Parking Strategy and the draft TGAR are expected to be considered for adoption by Council during 2013/14.</p> <p>Therefore, recommendations from the Council resolution of 19 September 2011 have resulted in TACP Stage two being currently on hold without a formal completion date due to the progress of the draft Car Parking Strategy and the draft TGAR.</p>
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*Promote the integration of roads, cycling paths and footpaths with public transport options and public open space networks to facilitate passive recreation and enhance the liveability and connection of Latrobe City.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Continue the Morwell to Traralgon shared pathway feasibility study to improve connectivity between the two towns.	01/07/2012-30/06/2013 	<p>Due to the presence of significant native vegetation and biodiversity on the proposed routes a biodiversity assessment was undertaken during 2012. The biodiversity report was completed in November 2012.</p> <p>During February 2013 a councillor presentation occurred on the project background, the preferred route option and the next steps for the project.</p> <p>Following Council endorsement, key landowners were consulted in March and April 2013, and engagement with smaller landowners occurred in April and May 2013.</p> <p>The draft Feasibility Study is expected to be considered by Council in July 2013, followed by a community exhibition period.</p>

*Ensure proposed developments enhance the liveability of Latrobe City, and provide for a more sustainable community.*

Actively participate in the Gippsland Integrated Land Use Plan to provide direction and priorities for addressing population growth, land use change, new infrastructure requirements and the management of natural resources including coal and agricultural assets (Supporting the *Gippsland Regional Plan*).

01/07/2012-30/06/2016



The project has progressed in accordance with the project plan, including a briefing for all Gippsland councillors at the Gippsland Local Government Network Councillor Forum and for Latrobe City councillors during April 2013.


The draft Gippsland Regional Growth Plan (Gippsland Integrated Land Use Plan) has been completed and was released for public comment on 3 June 2013.

Latrobe City Council has actively participated in this project, jointly hosted by Baw Baw Shire Council and the Department of Planning and Community Development.


The final plan is due for completion by October 2013.



*Integrate transit cities principles in the development of Moe, Morwell and Traralgon activity centres.*


MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Pursue government funding opportunities to progress construction of the Moe Rail Precinct Revitalisation Project in accordance with the Moe Activity Centre Plan.	01/07/2012-30/06/2016 	<p>On 17 December 2012, Council resolved to undertake a full review of the Moe Activity Centre Plan (MACP) and the Moe Rail Precinct Revitalisation Project (MRPRP).</p> <p>The review included substantial community consultation. A formal submission process, where a total of 77 submissions were received as part of the review process, this included two petitions with a total of 7,025 signatures. Council Meetings were held in February and March 2013 with a significant number of community members in attendance.</p> <p>At the 25 March 2013 Special Council Meeting, Council resolved to pursue State and Federal Government funding opportunities to progress the Moe Rail Precinct Revitalisation Project in line with the concept design adopted on 9 May 2011.</p> <p>Applications have since been submitted to the State Government and meetings held with Federal and State Government Ministers and other representatives to assist in attracting funding for the project.</p> <p>It is expected that the outcome of funding applications will be known during 2013/14. Progression of the Moe Rail Precinct Revitalisation Project is dependent on funding.</p>

*Ensure the Local Planning Policy Framework is reviewed in accordance with legislative requirements, and updated regularly to reflect community aspirations and growth.*

Commence the Latrobe Statutory Planning Scheme review.	01/07/2012-30/06/2013 	This project has not progressed due to staff vacancies and competing project priorities. The project is expected to be delivered during 2013/14.
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### Service Provision highlights for 2012/13:


- Assessed 277 report and consent applications and property information requests; audited 109 pool barriers; assessed 102 high risk buildings for essential safety measure compliance in accordance with the *Building Act*.
- Provided traffic management and asset management advice to projects including the Market Street/Albert Street Moe intersection and review of parking requirements in the Morwell CBD.
- Building maintenance was carried out on over 300 assets valued at over \$150 million with a budget of \$4.5 million.
- Maintained approximately 1,600 km roads and associated signage; 700 km of footpaths; 1,000 km of kerb and channel; 18,000 stormwater drainage pits; and 75,000 urban park and street trees.
- Provide recreation and open space planning advice to strategic planning development plans and pursued funding opportunities for clubs and community organisations.
- Over 100 public amenities receive a cleaning service from Council managed contractors.



PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Deliver at least 80% of the funded Latrobe City Council Annual Capital Works Program within the financial year.	74%	86%	65%	

*\* Works were delayed due to inclement weather; engineering resources allocated to the landslip projects that occurred over the last two years; and a large carry forward from 2011/12. All outstanding works are scheduled for completion during 2013/14. For more information refer to Capital Works Highlights page 12.*

Process at least 60% of planning permit applications within 60 days, as reported in the Department of Planning and Community Development Planning Permit Application Reporting System.	47%	60%	54%	
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*\*Note: 2012/13 figure is preliminary, refined figures are not yet available.*

Achieve at least 98% compliance of Council owned buildings in the annual Essential Safety Measures audit.	NA	NA	98%	
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LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for local streets and footpaths in the annual Local Government Satisfaction Survey.	57	55	58	
Increase Latrobe City Council's indexed mean score for town planning approvals and policy development in the annual Local Government Satisfaction Survey.	56	52	56	

*\* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.*



## OUR COMMUNITY

### Latrobe 2026 Community Vision

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.



## Snapshot 2012/13

During 2012/13 Council invested **\$25.95 million** in the **Our Community** objective.



14%

Major initiatives **completed**

72%

Major initiatives **ongoing**

14%



Major initiatives **in progress**

0%


Major initiatives **not achieved**

**100%** Performance  
Indicators *Achieved*

*Provide support, assistance and quality services in partnership with relevant stakeholders to improve the health, wellbeing and safety of all within Latrobe City.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Continue to advocate for improved transport linkages across Latrobe City.	01/07/2012-30/06/2016 	The Traralgon CBD Safety Committee successfully advocated for the continuation of the 'night rider' bus service.  The night time bus service provides transport from Traralgon's nightclub precinct to neighbouring towns and has been funded for another year by the State Government.
In consultation with community groups, develop and implement a Seniors Week program of activities to provide opportunities for active participation of older people.	01/07/2012-30/06/2016 	The Seniors Week program of activities was delivered across the municipality during October 2012. Events were held over seven days offering 40 activities, with all activities fully booked. Unsolicited letters of appreciation have been received.

*Facilitate and support initiatives that strengthen the capacity of the community.*

Review the Latrobe City Childcare Strategy 2006-2011 and prepare a Children's Services Plan to document and promote Latrobe City Council's integrated early year's services.	01/07/2012-30/06/2013 	Stakeholder engagement has taken longer than anticipated, which has extended the initial timeframes for this project.  The Project Assurance Group (comprising the Early Years Reference Committee) sought an extension of the project to ensure appropriate engagement of all relevant stakeholders. An extension was granted in the hope to improve consultation activities and result in a more effective strategic document.  The project is expected to be completed in September 2013.
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*Image (opposite page): Glendonald Park Preschool*

*Provide access to information, knowledge, technology and activities that strengthens and increases participation in community life.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Deliver the annual Children's Services Expo during Children's Week to promote early years services provided across Latrobe City.	01/07/2012-30/06/2016 	The Children's Service Expo was successfully delivered during October 2012. This event was again a success attracting over 2,000 attendees.  The event provided an opportunity for families to access a range of early years' service information.  Entertainment and activities included face painting and stage shows, resulting in lots of family fun.
Lead the Latrobe Settlement Committee to assist new settlers.	01/07/2012-30/06/2016 	The Latrobe Settlement Committee continues to meet with agencies and service providers to produce better outcomes for newly arrived residents.

*Support initiatives that promote diversity and social inclusion.*

Facilitate the Disability Reference Committee to support the implementation of the Disability Action Plan.	01/07/2012-30/06/2016 	The Disability Reference Committee continues to meet on a regular basis to provide support and advice in regard to Latrobe City Council's Disability Action Plan.
Facilitate and coordinate events during Social Inclusion Week 2013 in partnership with other organisations.	01/07/2012-30/06/2013 	In partnership with the Central West Gippsland Community Inclusion Network, 19 events were delivered during Social Inclusion Week in Latrobe City. For more on the Disability Action Plan refer to page 98.

### Service Provision highlights for 2012/13:

- Delivered on average 760 Meals on Wheels Program meals per week to eligible clients.
- Inspected all Latrobe City Council food premises in accordance with the *Food Act*.
- Activated the Municipal Emergency Coordination Centre and Relief Centres to support communities impacted by the Aberfeldy Fire in January 2013 and floods in June 2013.
- Coordinated 80 training placements, resulting in 60 employment outcomes for indigenous people.
- Distributed a total of \$435,000 to local community groups across Latrobe City through the community grants program.
- Received 75,514 calls resulting in over 41,285 customer requests for service at Council's Service Centres and Libraries.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase the number of visits to Latrobe City Council libraries to access services, activities, education programs and to engage with others by 1% annually.	215,000	217,150	225,754	✓
Maintain at least 95% overall participant satisfaction for Latrobe City Council Community Groups Training Forums delivered during the financial year.	99%	100%	98%	✓
Maintain at least 80% overall customer satisfaction in the annual Latrobe City Council Maternal and Child Health Services Survey.	87%	90%	95%	✓
Maintain at least 85% overall customer satisfaction in the annual Latrobe City Council's Home and Community Care Services Survey.	92%	95%	91%	✓
Maintain Latrobe City Council's immunisation percentage rate of at least 90% for children five years of age and under for Latrobe City annually.	93.70%	94.2%	95.35%	✓



# CULTURE

## Latrobe 2026 Community Vision

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.



### Snapshot 2012/13

During 2012/13 Council **invested \$2.81 million in the Culture** objective.



**20%**  
Major initiatives **completed**



**80%**  
Major initiatives **ongoing**



**0%**  
Major initiatives **in progress**



**0%**  
Major initiatives **not achieved**



**75%** Performance  
Indicators *Achieved*





*Plan, facilitate, develop and maintain public infrastructure that strengthens the cultural vitality of the municipality.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Progress Council's decision in respect to the provision of a performing arts and convention centre for Latrobe City to enhance Latrobe City's cultural infrastructure and programs.	01/07/2012-30/06/2016 	<p>Council resolved on 7 June 2010 to proceed with the development of a business case to clearly identify the costs of establishing a new Performing Arts and Convention Centre, whilst maintaining the current Performing Arts Centre in Traralgon.</p> <p>The Business Case was completed and subsequently adopted by Council at the 3 September 2012 Ordinary Council Meeting.</p> <p>Requests for State and Federal Government funding towards the project has commenced and draft concept designs and elevations completed to assist funding applications occurred.</p> <p>The project is planned to continue in 2013/14 dependent on funding.</p>

Image: Traralgon Performing Arts Centre


*Attract, promote and facilitate significant regional, national and international events to improve the liveability and sustainability of the municipality.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Develop the Latrobe City Events Strategy and Action Plan 2013-2017 and present to Council for consideration.	01/07/2012-30/06/2016 	The 2013-2017 Events Strategy and Action Plan was adopted by Council on 17 September 2012 following an extensive community engagement program.  The Events Strategy and Action Plan will facilitate the continued growth and long term sustainability of events in Latrobe City, guiding the involvement in events over the next four years. The Strategy and Action Plan identifies the means to continue to grow Latrobe City as a highly attractive and sustainable events destination and build the economic, community and City image outcomes achieved through events.
Develop a Latrobe City Arts Strategy and Action Plan to inspire and enrich the lives of our community and visitors through a dynamic, accessible and diverse arts program.	01/07/2012-30/06/2014 	The project is on track with phase one completed, including the development of a project brief.  An application seeking funding was prepared for the State Government to support development of the strategy.  A consultant will be appointed and the strategy developed and presented to Council during phase two of the project during 2013/14.

*Facilitate the growth and success of cultural programs, sporting and community events through active engagement, promotion and marketing.*

Deliver marketing and promotional activities for events to increase participation and visitation to the region.	01/07/2012-30/06/2016 	Event marketing clusters and promotional activities were delivered through the Calendar of Events and targeted marketing. For more on Events Highlights refer to page 14.  Council officers continued to work closely with event organisers on strategies to minimise costs. The Visitor Information Centre continued promoting events for wider tourism benefits.  Sponsorship packages have been developed providing local business the opportunity to leverage off significant events.
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*Foster greater awareness, understanding and respect for other cultures through the promotion of international relationships.*

Deliver year two actions from the Latrobe City International Relations Plan 2011-2014 to enhance cultural and economic benefits.	01/07/2012-31/12/2014 	Implementation of year two objectives and actions of the International Relations Plan occurred during 2012/13.  Of the 41 actions identified in the Plan, 37 have been completed; the remaining four are ongoing actions and are progressing well.
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*Image (opposite page):  
Drumming Circle, Morwell*



### Service Provision highlights for 2012/13:

- Delivered the 2013 Australia Day Ceremony and festivities, community groups played an active role and have been commended for their outstanding contribution to the day.
- Hosted nine international, 11 national, 17 state events and 25 significant community and cultural events.
- Provided many unique opportunities to engage through the Annual Performing Arts Performances program including working with the Melbourne Ballet Company, the first time that ballet has been presented in over 10 years at the Performing Arts Centre.
- Presented 36 diverse exhibitions: eight major touring exhibitions, twelve community groups or individual exhibitions; five children's exhibitions; and ten exhibitions curated by gallery staff.
- Coordinated the Sports Exchange Program to China; Sister Cities Festival; and inbound Sports Exchange Programs from Japan in-line with the *International Relations Plan 2011-2014*.
- Managed Latrobe City public halls and venues with an increase of 16,000 visitors to the major venues and 6,000 visitors to the minor venues.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase the number of people who attend Latrobe City Council Visual Arts Program events annually.	21,950	19,841	18,190	✗
Increase the number of people who attend Latrobe City Council Performing Arts Program events annually.	11,098	14,941	15,163	✓
* Includes patrons attending Latrobe Performing Arts programming and community and commercial shows.				
Increase the number of people who attend Latrobe City Councils cultural events including the Sister Cities Festival and Gippsland Multicultural Festival annually.	3,500	3,500	3,750	✓
Increase the annual economic benefits derived as a result of Latrobe City Council supporting significant events.	NA	NA	\$9.28 million	✓

\* Economic benefits data for significant events was captured and reported on commencing in 2012/13. The total 2012/13 Economic Benefit was derived from 14 significant events where data was captured.

# RECREATION

## Latrobe 2026 Community Vision

In 2026, Latrobe Valley encourages a healthy and vibrant lifestyle, with diversity in passive and active recreational opportunities and facilities that connect people with their community.

Snapshot 2012/13

During 2012/13 Council **invested \$15.77 million in the Recreation** objective.



**50%**  
Major initiatives **completed**

**50%**  
Major initiatives **ongoing**

**0%**  
Major initiatives **in progress**

**0%**  
Major initiatives **not achieved**

**2** **Community Satisfaction** Survey  
Indicators *Trended lower*

**50%** **Performance**  
Indicators *Achieved*

*Image: Synthetic Hockey Pitch, Churchill*





*Assess and evaluate recreational trends and opportunities to address community aspirations for passive and active recreational activities.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Progress Council's decision in respect to the provision of an indoor aquatic facility in Traralgon to enable development of Latrobe City's recreational infrastructure.	01/07/2012-30/06/2016 	<p>Following a report being presented to Council in May 2011, and Council resolving a further report be prepared, a working party was developed comprising of key stakeholders to provide input into the project.</p> <p>During 2012/13 a concept plan and budget estimates were developed by a consultant.</p> <p>An Expression of Interest and formal application for Regional Development Australia Fund (RDAF) funding was submitted in April 2013 but was unsuccessful in the RDAF round four allocations announced by the Federal Government. Alternative funding options will be investigated.</p> <p>With the concept design adopted, progression of the project is now reliant on significant funding from the federal and state governments.</p>

*Align open space requirements of the community with useable public open space.*

Implement year two actions of the Latrobe City Council Playground Improvement Implementation Plan 2011-2016 to enhance social and health outcomes and improve local neighbourhood amenity.	01/07/2012-30/06/2013 	Year two actions were implemented in line with the Playground Replacement Implementation Plan including; installation of new equipment at Andrews Park West Churchill; Glendonald Park Churchill; and Apex Park Moe. The Glengarry Playground was reinstated following ground renovations and two playground removals were deferred following consultation with residents.
Finalise review of the Latrobe City Public Open Space Strategy to ensure accessible, connected and varied open space experiences continue to be provided for our community.	01/07/2012-30/06/2013 	The draft Public Open Space Strategy, developed during 2012, was released by Council for community consultation in September 2012. Public Exhibition of the draft strategy occurred between late October 2012 and December 2012. Submissions to the strategy were considered and the final Public Open Space Strategy was adopted by Council on 20 May 2013.

*Continue to develop and enhance recreation and leisure facilities in order to attract and facilitate events of regional, national and international significance.*


Complete funded works identified in the Latrobe Leisure Facilities Condition Assessment to ensure high quality aquatic and leisure facilities are provided for our community.	01/07/2012-30/06/2016 	All 2012/13 funded projects were completed during the year. Projects delivered include the roof replacement of court three at Moe/Newborough Leisure, and the construction of the emergency exit stairs at the Traralgon Basketball stadium.
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Image: Latrobe Leisure Churchill

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase the number of visitors to Latrobe Leisure indoor facilities and outdoor pools annually.	375,282	401,595	405,289	✓
Increase overall customer satisfaction in the Latrobe City Council Sporting Reserves Survey.	NA	NA	NA	✗

\* Survey postponed to 2013/14 due to a request from users to conduct a sporting reserves forum to discuss current issues, potential funding opportunities and future direction.

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for Recreational Facilities in the annual Local Government Satisfaction Survey.	71	67	71	↓
Increase Latrobe City Council's indexed mean score for public areas appearance in the annual Local Government Satisfaction Survey.	69	67	72	↓

\* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.

### Service Provision highlights for 2012/13:

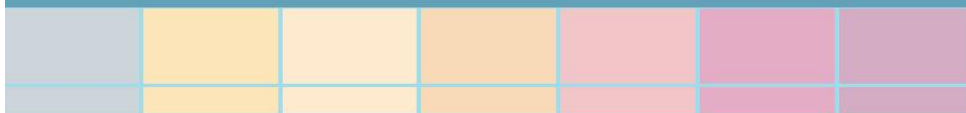
- Bookings at the International Hazelwood Traffic School increased by almost 20%, with 165 private functions and 41 educational sessions.
- Completed annual and monthly inspections, repaired equipment and reinstated soft fall of playgrounds in accordance with the Latrobe City Council Playground Strategy.
- Operated leisure facilities and delivered learn to swim, fitness and stadium programs with memberships slightly up from 2011/12 and total attendance remaining stable.
- Maintained 510 hectares of active and passive reserves and 90,000 m<sup>2</sup> of shrub and garden beds throughout Latrobe City.



## GOVERNANCE

### Latrobe 2026 Community Vision

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.



# Snapshot 2012/13

During 2012/13 Council invested \$13.52 million in the Governance objective.



- 33%** Major initiatives **completed**
- 33%** Major initiatives **ongoing**
- 33%** Major initiatives **in progress**
- 0%** Major initiatives **not achieved**

**1** **Community Satisfaction** Survey Indicator *Trended Lower*

**75%** **Performance Indicators** *Achieved*

*Implement the strategic objectives as detailed in the Council Plan, review it annually to ensure that it reflects community expectations and our commitments to financial responsibility.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Develop the Council Plan 2013-2017 and present to Council for consideration and submit to the Minister for Local Government within the legislated timeframe.	01/07/2012-30/06/2013 	Following the general election and appointment of the new Council during November 2012, a new format Council Plan was developed. The new Council Plan established five themes, supported by objectives and strategic directions to be achieved over the next four years.  The Council Plan, together with the Strategic Resources Plan, are Latrobe City Council's medium term planning document and are available to view on councils website. Following an exhibition period and the consideration of submissions by Council, the Council Plan 2013-2017 was adopted by Council on 24 June 2013.

*Delegate appropriately and make sound decisions having regard to legislative requirements, policies, professional advice, sound and thorough research and the views of the community.*


Review Council Delegations following the local government election for Latrobe City.	01/07/2012-30/06/2013 	A review of Council Delegations commenced and is expected to be completed by October 2013 in accordance with the statutory requirements.
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*Images (opposite): Latrobe City Council 2013/14 Budget, Council Plan 2013-2017 and Annual Report 2011/12*




Image: Latrobe City Council staff



*Provide regular reports on Council's performance including strategic objectives and Council's progress towards Latrobe 2026.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Prepare the Annual Report, submit to the Minister for Local Government and present to Council within the legislated timeframe.	01/07/2012-30/06/2016 	The Annual Report 2011/12 was completed in accordance with the <i>Local Government Act 1989</i> , and was submitted to the Minister for Local Government within the legislated timeframe of 30 September 2012.  Council's Audit Committee reviewed the Annual Report 2011/12 at its 4 September 2012 meeting and Council adopted the financial report at the Special Council meeting held on 10 September 2012. The financial statements including the standard and performance statements were certified by the Victorian Auditor General's office during September 2012.  Latrobe City Council again received a bronze award for the 2011/12 Annual Report under the Local Government category in the 2013 Australasian Reporting Awards (ARA).

*Ensure that Latrobe City Council continues to meet the highest standards of financial probity and is financially sustainable.*

Facilitate the development of the Annual Budget and present to Council for consideration.	01/07/2012-30/06/2016 	A detailed consultation process was undertaken with councillors to develop the 2013/14 Budget. Consultation included six targeted workshops which concluded in the development of the draft budget which was presented to Council and released for public submissions in June 2013.  Council will consider submissions to the budget during July 2013 with final adoption in August 2013. The release of the budget has been slightly delayed from previous years, however will still meet the Local Government statutory timeframes; a resulting benefit is the full alignment of the budget to the Council Plan 2013-2017.
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*Review Latrobe City Council policies to ensure that they reflect the aspirations of the community.*

Facilitate the local government election for Latrobe City.	01/07/2012-30/06/2013 	The Local Government elections for Latrobe City were held on 27 October 2012. The Latrobe City Council election was overseen by the Victorian Electoral Commission and voting was conducted via postal votes.  The election resulted in nine councillors being elected to represent four wards; East, West, South and Central wards.
Review the Council Policy Manual following the local government election for Latrobe City.	01/07/2012-30/06/2013 	Council is required to review the policy manual following the election, this was originally planned to happen in the first six months post-election. However, in 2012 Council approved an amendment to the Council Policy Development Policy which allows Council more time to review the policy manual in greater detail.  During the year, Council commenced the review with a number of new policies adopted, amendments to and revoking of policies occurring. All current policies are available on Council's website.

### Service Provision highlights for 2012/13:

- Support services were provided to the nine elected councillors.
- 45 candidates attended the six Citizenship Ceremonies delivered by Council.
- Administered financial management, advice and services in accordance with accounting standards.
- Maintained Council's property database, additional property valuation occurred to include non-rateable properties for the introduction of the Fire Services Property Levy in 2013/14.
- Eleven Occupational Health and Safety (OHS) procedures and one framework were renewed and two new procedures adopted during the year.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Allow 22 opportunities annually for community members to present at the Ordinary Meetings of Council.	22	22	22	✓
* 22 Ordinary Council Meetings were delivered and supplemented by seven Special Council Meetings.				
Receive no qualifications by the Victorian Auditor General's Office for the annual audit of Latrobe City Council's financial accounts.	0	0	0	✓
* No qualifications received for 2011/2012 financial statements				
Complete 100% of internal audit committee recommendations within agreed timeframes.	67%	80%	100%	✓
Achieve 100% of Latrobe City Council Key Strategic Activities which are scheduled within the financial year.	90%	63.6%	66.7%	✗
* Six of Council's nine Key Strategic Activities were achieved during the year, for more refer to the Performance Statement page 178.				

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for community consultation and engagement in the annual Local Government Community Satisfaction Survey.	54	50	57	↓

\* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.



# ADVOCACY AND PARTNERSHIPS

## Latrobe 2026 Community Vision

In 2026, Latrobe Valley is supported by diversity of government, agency, industry and community leaders, committed to working in partnership to advocate for and deliver sustainable local outcomes.

### Snapshot 2012/13

During 2012/13 Council **invested \$1.45 million** in the **Advocacy and Partnerships** objective.



-  **0%**  
Major initiatives **completed**
-  **91%**  
Major initiatives **ongoing**
-  **9%**  
Major initiatives **in progress**
-  **0%**  
Major initiatives **not achieved**







*Advocate on behalf of our community and its vision for a secure and sustainable future.*



MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Advocate for the appointment of a State Minister for the Latrobe Valley region in response to the unique challenges and opportunities facing our community.	01/07/2012-30/06/2016 	Latrobe City Council verbally raised the issue with senior government representatives during 2012/13.  No decision regarding an appointment has been received. Council will continue to advocate as opportunities present.

*Actively build partnerships with other municipalities, government, industry and community agencies to deliver important services and projects, and ensure strong outcomes for our community.*

Support implementation of the Gippsland Skills Action Plan and the Gippsland Skills and Industry Alliance to improve alignment of educational services and the needs of our workforce, business and industry (Supporting the <i>Gippsland Regional Plan</i> ).	01/07/2012-30/06/2016 	Latrobe City Council has actively supported these initiatives through its involvement in the Industry Link Officer program and has maintained a strong working relationship with other Industry Link Officers and the Higher Education and Skills Group.
Lead components of the <i>Gippsland Regional Plan</i> development and implementation and provide regular progress reports to our community.	01/07/2012-30/06/2016 	Latrobe City Council is actively supporting the <i>Gippsland Regional Plan</i> , participating extensively in <i>Gippsland Regional Plan</i> discussions, particularly through the Low Carbon Economy Strategy Group.

Images (opposite page): Latrobe Regional Hospital,  
Loy Yang Power Station

*Strengthen relationships with the Victorian and Australian Governments, to ensure that Latrobe City Council is positioned to take advantage of strategic initiatives and funding opportunities.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Advocate with State and Federal Governments for research and development of innovative uses of brown coal resources to be located in Latrobe City.	01/07/2012-30/06/2016 	Latrobe City Council continues to advocate for research and development of innovative uses of brown coal to be located in Latrobe City.  An announcement on the successful tenderers for the Advanced Lignite Demonstrator Program funding is expected during 2013/14. The program looks to develop pre-commercial demonstration scale, coal upgrading processes for raw lignite which would be a significant economic opportunity for the region.
Conduct quarterly briefing sessions with parliamentarians representing the municipal area to provide advice, promote and advocate for local and regional priorities.	01/07/2012-30/06/2016 	Councillors and senior council officers represented Latrobe City Council at two state and federal parliamentary briefings during 2012/13, as well as other scheduled meetings with local parliamentarians to provide advice and advocate for Latrobe City.



*Provide regional leadership and strengthen partnerships on issues of importance to our community.*







MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Lead the development of the Gippsland Low Carbon Economy Transition Plan and support the implementation of the broader <i>Gippsland Regional Plan</i> .	01/07/2012-30/06/2016 	Latrobe City Council is actively participating in the Low Carbon Economy Strategy Group, with its Chief Executive Officer chair of the group and also through provision of secretariat support. The group meet regularly and are developing a work program.  Investigation of funding opportunities for the project plan will occur in 2013/14.
Support the expansion of courses, student services and accommodation at Monash University Gippsland campus, Churchill (Supporting the <i>Gippsland Regional Plan</i> ).	01/07/2012-30/06/2016 	During the year, planning advanced for the introduction of a Master of Geomechanics and Geohydrology Course at the Churchill campus in 2014. A Master of Maintenance and Reliability Engineering had 40 enrolments in 2013.  In partnership with GippsTAFE, planning continued for the introduction of a Degree in Control and Systems Engineering in 2015.
Support the Regional Cities Victoria (RCV) group to attract and retain population growth to regional cities.	01/07/2012-30/06/2016 	Actively participated in RCV during 2012/13 with Latrobe City Council's Mayor and/or Chief Executive Officer attending six of the seven Regional Cities Victoria meetings held between July 2012 and June 2013. Additional meetings were held to discuss specific projects.
Support implementation of the Gippsland Tertiary Education Plan to enhance access, participation and attainment of tertiary education.	01/07/2012-30/06/2016 	An 11 member Gippsland Tertiary Education Council was established during the year to work with local industry, education providers and local networks.  A network of Technology Enabled Learning Centres is to be created across Gippsland.
Support the expansion of Latrobe Regional Hospital (LRH) to fulfil its role as Gippsland's regional specialist health service (Supporting the <i>Gippsland Regional Plan</i> ).	01/07/2012-30/06/2013 	A recommendation of the <i>Gippsland Regional Plan</i> is the expansion of LRH to fulfil its role as Gippsland's regional specialist health service.  LRH applied for funding to Federal Government in 2012, under the Hospitals and Health Fund (HHF4) Initiative for \$65 million. The funding application was to enable expansion of the Emergency Department, provide new inpatient beds, expand the short stay unit, improve medical imaging, and to create a cardiac catheterisation laboratory. Works are reliant on funding and submissions have not been successful to date.  In 2012/13 the major project focus at LRH has been the \$8 million redevelopment of the Allied Health department and expansion of the Gippsland Cancer Care Centre, which includes radiotherapy, chemotherapy and dialysis.

Image (opposite page): Gippsland Local Government Network Meeting, Peter Ryan MLA



*Build a strong image for Latrobe City which emphasise prosperity, liveability and a sense of self confidence and resilience within the community.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Develop a City Image Strategy to strengthen Latrobe City's profile as Gippsland's Regional City.	01/07/2012-30/06/2013 	A research and engagement phase, undertaken at the end of 2012, provided the basis for the development of a draft City Image Strategy. The draft Strategy was written in consultation with a Project Reference Group and outlines six objectives and the commitments required from Latrobe City Council in order to meet the overarching goal of raising the profile of Latrobe City.  The draft strategy was presented to Council and has been deferred pending further consideration.

### Service Provision highlights for 2012/13:

- Provided regular communications via a range of media outlets including the distribution of news releases, inclusion of the Council Noticeboard in Latrobe Valley Express and LINK.
- 19 'Have your say' pages on Council's website during 2012/13, sought input on the development of a range of strategies, plans and projects.



Image: Latrobe City Council Headquarters

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Latrobe City Council Mayor or Chief Executive Officer will attend 11 Gippsland Local Government Network meetings annually.	11	9	7	✗
Latrobe City Council Mayor or Chief Executive Officer will attend Six Regional Cities Victoria meetings annually.	6	6	6	✓
Number of media releases published to inform the community on Council services, initiatives and decisions annually.	207	156	156	✓

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for advocacy (lobbying on behalf of the community) in the annual Local Government Community Satisfaction Survey.	56	49	56	↓

\* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.



Image: Latrobe City Council Pound

# REGULATION AND ACCOUNTABILITY

## Latrobe 2026 Community Vision

In 2026, Latrobe Valley demonstrates respect for the importance of rules and laws to protect people's rights, outline obligations and support community values and cohesion.

### Snapshot 2012/13




During 2012/13 Council **invested \$3.88 million in the Regulation and Accountability** objective.



-  **0%**  
Major initiatives **completed**
-  **0%**  
Major initiatives **ongoing**
-  **100%**  
Major initiatives **in progress**
-  **0%**  
Major initiatives **not achieved**






*Monitor, review and enforce local laws and animal management practices that reflect community conditions and aspirations and support community cohesion.*

MAJOR INITIATIVE	PROGRESS IN 2012/13	2012/13 PROGRESS, ACHIEVEMENTS AND CHALLENGES
Finalise the review of the Domestic Animal Management Plan and present a draft Plan to Council for consideration.	01/07/2012-30/06/2013 	The draft Domestic Animal Management Plan was developed during 2012/13 and released for community consultation, ending on 17 June 2013.  A final Domestic Animal Management Plan, incorporating community feedback, will then be presented for Council consideration in the second half of 2013.
Review Local Law No. 1 and present to Council for consideration, following the 2012 municipal election.	01/07/2012-30/06/2013 	The Review of Local Law No. 1 has commenced including initial workshops conducted with councillors.  It is anticipated that a revised Local Law No. 1 will be adopted by Council by the end of 2013.
Review Local Law No. 2 and present to Council for consideration.	01/07/2012-31/12/2013 	Latrobe City Council participated in the second Local Government Professionals Better Practice Local Laws Program.  A desktop review of Local Law No. 2 was undertaken during the year. Community consultation is planned between August and September 2013, with the project scheduled for completion by June 2014.

### Service Provision highlights for 2012/13:

- Sourced and provided legal advice and services to the organisation.
- Delivered customer focused local law services, receiving and responding to over 8,000 requests for service, in accordance with legislative provisions.
- Inspected all properties in accordance with the *Municipal Fire Prevention Plan*.
- Maintained and made available for public inspection, a range of registers in accordance with the *Local Government Act 1989*.

PERFORMANCE INDICATOR	2010/11	2011/12	2012/13	STATUS
Increase percentage of Freedom of Information requests processed within statutory timeframes.	100%	100%	100%	
* Ten applications were received and processed within the statutory timeframe.				
Increase percentage of impounded dogs rehoused or returned to owners.	83%	80.4%	58.2%	

LOCAL GOVERNMENT COMMUNITY SATISFACTION SURVEY	LATROBE CITY 2012 INDEX MEAN SCORE	LATROBE CITY 2013 INDEX MEAN SCORE	REGIONAL CENTRES 2013 INDEX MEAN SCORE	STATUS
Increase Latrobe City Council's indexed mean score for enforcement of local laws in the annual Local Government Community Satisfaction Survey.	67	63	68	

\* The index mean score is measured on a scale of 0 to 100. A comparison with the 2011/12 Latrobe City Result and comparison with the 2012/13 result of other regional centres has been provided.

# WHAT'S PLANNED for 2013-2017?



1.



2.



3.



4.



Elected in October 2012, Council in accordance with the *Local Government Act 1989* developed and submitted its Council Plan 2013-2017 to the Minister by 30 June 2013. This Council Plan identifies objectives and strategies that will shape the direction and priorities of our community over the next four years.

Council is committed to strengthening our role as one of Victoria's four major regional cities and Gippsland's commercial centre, and has identified five themes to guide Council's future direction.

**COUNCIL  
PLAN  
2013 - 2017**

**FIVE THEMES FOR  
THE NEXT 4 YEARS**

- 01** Job creation and economic Sustainability
- 02** Appropriate, affordable and sustainable facilities, services and recreation
- 03** Efficient, effective and accountable governance
- 04** Advocacy for and consultation with our community
- 05** Planning for the future

The Council Plan is supported by the Strategic Resource Plan, which outlines the financial and non-financial resources required to achieve the Council Plan. It is also implemented through the Annual Budget and Action Plan, which outlines the Key Strategic Activities and actions to be undertaken each year to deliver on the Council Plan.



For a copy of the Council Plan 2013-2017, current Strategic Resources Plan or Annual Budget and Action Plan go to: [www.latrobe.vic.gov.au](http://www.latrobe.vic.gov.au) or call 1300 367 700.

Images (opposite page):

1. Moe Rail Precinct Revitalisation Project concept design,  
2. Latrobe City Council Headquarters, 3. Traralgon Maternal and  
Child Health Centre, 4. Latrobe Regional Airport



- Organisational Excellence @ Latrobe
- Best Value Highlights
- Engaging with our Community
- Audit and Risk
- Committees
- Statutory Information
- Victorian Local Government Indicators

# ORGANISATIONAL EXCELLENCE @ LATROBE

Organisational Excellence @ Latrobe is the tenth 'internal' strategic objective which supports our organisation to achieve the Council Plan. It highlights the importance of bringing our mission, values and behaviours to life and continuously striving to improve day-to-day service delivery. Consisting of five themes Direction, Relationships, Systems, Innovation and People - each theme defines how we demonstrate and achieve organisational excellence.



## Setting our Direction

Our direction is shaped by Latrobe 2026, Council Plan, Business Plans and Performance Plans.

### How we set our direction in 2012/13:

- Supported the Council Plan 2013-2017 development to achieve the best outcomes for Latrobe City over the next four years.
- Reviewed *Securing our Future* to support lobbying activities for a proactive transition to a low carbon future.
- Provided annual, monthly and quarterly reports to Council on the organisation's performance.
- Adopted seven strategies/plans including the Latrobe City Events Strategy and Action Plan 2013-2017 and Road Management Plan 2013-2017.
- Latrobe City Council Enterprise Agreement 2012-2015 was negotiated, submitted and approved by Fair Work Australia in August 2012.

## Strengthening our Relationships

Strong relationships lead to productive partnerships and improved community engagement.

### How we strengthened our relationships during 2012/13:

- Participated in Gippsland Local Government Network and Regional Cities Victoria Meetings.
- Continued use of social media channels including facebook and twitter.
- Launched Latrobe City Council's new website.
- Participated in two State and Federal Parliamentary Briefings.
- 19 'Have your say' pages on Council's website during 2012/13, sought input on the development of a range of strategies, plans and projects.
- Regular meetings with authorities and agencies initiated, including West Gippsland Catchment Management Authority, VicRoads and Gippsland Water.
- New look Developers' Forum and GippsPlan Forum promoting opportunities for improved developer/council officer relationships and networking between developers.

Image (opposite page): Traralgon Service Centre and Library

## Systems support our needs

Our systems add value to all that we do.

### How systems supported our needs in 2012/13:

- Provided on average 99% IT system availability to the organisation.
- Successfully implemented stage one of the telephony project and deployed and refined mobility solutions and procedures.
- Delivered 956 formal staff training sessions for staff across a wide range of system applications.
- Successfully implemented Office 2010 to the organisation.
- Continually monitored network integrity and implemented a backup regime to ensure recoverability of Council data.
- Progressed the move to electronic records with several key sections of Council transitioning, roll out is expected to continue across the organisation.

## Innovation: working smarter

We are open to new ideas, challenge past practices and embrace innovation.

### How we embraced innovation during 2012/13:

- Innovative ideas identified by staff through Learning and Development programs are included in internal newsletters on a regular basis.
- Frontline Leadership program participants presented over 10 innovative new workplace ideas to Council management for consideration.
- Over 180 staff were identified for outstanding service delivery, innovation or going above and beyond the call of duty.
- Implemented an electronic recruitment system, eRecruit, designed to improve efficiency, reduce paper-based processes and make position vacancies more readily accessible to the community.

## Valuing our People

Our people work together in a spirit of honesty, teamwork and trust.

### How we valued our people in 2012/13:

- Undertook annual performance reviews with staff to support delivery of projects and services, as well as identifying training and development opportunities.
- The Healthy Organisation Working Group (HOW) implemented a range of initiatives for staff including onsite Work Health Checks; promotion of mental health and stroke awareness; and support of stand-up workstations trials.
- Provided 144 Learning and Development program placements, including internal and external programs, a slight increase from 2011/12.
- A diverse range of programs and study opportunities are offered, from an introduction to leadership and technical skills development.
- Conducted an employee satisfaction survey with all staff to guide the development of a People Plan.
- Provide a broad range of career options and opportunities, culture of learning and innovation and flexible work/life options.





## BEST VALUE Highlights

Latrobe City Council has implemented a range of initiatives and processes across the organisation which promote the Best Value principles. A requirement of the *Local Government Act 1989* is to report Council's progress to the community towards achieving Best Value principles and how this has been achieved.

The *Local Government Act 1989 208B Best Value Principles* are:

- a) all services provided by a Council must meet the quality and cost standards;
- b) all services provided by a Council must be responsive to the needs of the community;
- c) each service provided by a Council must be accessible to those members of the community for whom the service is intended;
- d) a Council must achieve continuous improvement in the provision of services for its community;
- e) a Council must develop a program of regular consultation with its community in relation to the services it provides; and
- f) a Council must report regularly to its community on its achievements in relation to Best Value.

### Implementing Best Value:

Latrobe City Council is achieving Best Value across a broad range of services and activities across the organisation, such as:

#### Healthy Together Latrobe (HTL)

A three year (until June 2015) initiative partnering Latrobe City Council, Latrobe Community Health Service, the Victorian Department of Health and "BE ACTIVE" grant from VicHealth.

HTL aims to improve people's health where they live, learn, work and play, to reduce health disparities within the local community. The focus will be on encouraging healthy eating, physical activity, and reducing smoking and harmful alcohol use.

61% of Latrobe City's schools and early childhood services have registered to participate in the Achievement Program. The Healthy Children Newsletter has been established and will be prepared per term. A total of 75 workplaces have been engaged in the HTL approach. Highlights this year included the Ministerial launch of HTL Latrobe, the Gippsland Occupational Health and Safety (OHS) breakfast event with more than 30 workplaces attending and power generators OHS networks agreeing to develop an industry wide workplace health strategy.

#### MAV Step Program - Improvement in Asset Management

Latrobe City Council continues to be actively involved in the Municipal Associations of Victoria (MAV) Step program for improvement in Asset Management.

Key improvements identified include the formation of an Asset Management Working Group; and review of the Asset Management Policy and Asset Management Strategy. The Asset Management Strategy will outline the activities required to advance asset management and will form the framework for a three year program of works.



Images (L to R): Latrobe Regional Gallery, Traralgon Maternal and Child Health, Children's Expo 2012

### Latrobe City Municipal Public Health and Wellbeing Plan 2013 – 2017 development

232 stakeholders and community members participated in the 45 formal Municipal Public Health and Wellbeing engagement consultations.

A Latrobe City Health and Wellbeing data profile has been developed and an annual review and reporting process will be developed to ensure ongoing community engagement and involvement in the planning process.

### Aged and Disability Service Quality Management Systems

In May 2013, Latrobe City Council's aged and disability services were externally audited against ISO Standard 9001 - Quality Management Systems and were found to be fully compliant.

### National Quality Assessments

Early learning and care services received an achieved mark against National Quality Assessments newly implemented rating scale, with many achieving an exceptional mark.

### Building Permit Audit Program

A program to audit building permits issued by private building surveyors was developed during the year. Approximately 5% of all building permits issued in Latrobe City were audited during the year and will continue into the future. This will ensure that the best possible outcomes are achieved for our rate-payers and that private building surveyors are held accountable.

### Monthly Council Planning updates

Initiated monthly Council meeting updates to provide information on State Government activity and legislative changes, Local Policy Development and current development activity. It is an opportunity to provide informative and timely advice to councillors to support informed decision making.

## Quality & Cost Measure

### Snapshot:

This Annual Report contains a range of service provision statistics and Performance Indicators. In addition, a snapshot of Quality and Cost measures are provided here which promote the Best Value principles:

- **95%** of **Home and Community Care** clients were assessed for eligibility within seven days of initial contact as per Department of Health Guidelines.
- Customers wait an average of **51** seconds for their **call to be answered** by Council's Call Centre.
- The average cost is **\$47.50** per candidate to deliver the **Latrobe City Citizenship Ceremonies**.
- **91%** overall **customer satisfaction** of Council's responses to Infrastructure Maintenance reactive requests.
- **100%** overall satisfaction from participants who attended the annual **Latrobe City Children's Expo**
- **91% compliance with Environment Protection Authority** licence at the Latrobe City Hyland Highway Landfill.
- **7** Monthly and **4** Quarterly **Performance Reports** provided to management and Council.
- **94%** of families received contact from a **Maternal and Child Health nurse** following birth notification.
- **28%** of Latrobe City's population are **members of Council's Libraries**.
- **97%** of **rates** were collected by Latrobe City Council at the end of the financial year.
- There were a total of **208,605** page visits on **Latrobe City Council's website**.
- Participated in the Local Government **Community Satisfaction Survey** for the **16th** time.

*\* No comparison data is available. Quality and Cost standards were introduced in 2012/13.*



## ENGAGING WITH *Our Community*

Latrobe City Council facilitates an annual Youth Council program, providing an opportunity for local young people to meet regularly and express their views on issues that affect them and young people of Latrobe City. The program includes fortnightly meetings during school terms with the aim of increasing civic participation of local youth to develop their knowledge of issues which affect young people at a federal, state, local government and community level.



## Youth Council

Latrobe City Council facilitates an annual Youth Council program. Appointed for the calendar year, participants attend fortnightly meetings during school terms. Participants are selected from a range of schools, towns and ages to ensure a diverse range of young people. It aims to increase civic participation of local youth and develop their knowledge of issues affecting young people at a federal, state, local government and community level.

- 11 participants in 2012
- 12 participants in 2013

Highlights for 2012/13 included participation in:

- 2012 Sister Cities Youth Council in Tasmania;
- Remembrance Day and ANZAC Day services with the Morwell RSL;
- Youth Info Card re-development;
- Australia Day services, including presenting the Young Australian of the Year Award; and
- discussion with Councillors on issues affecting youth.

Youth Council also provided input into Latrobe City Council projects including:

- Traralgon Activity Centre Plan;
- Morwell Skate Park; and
- Latrobe City Municipal Public Health and Wellbeing Plan.

## Youth Leadership Program

The Youth Leadership Program aims to empower and build the capacity of young people through a nine month Leadership Program. It covers leadership styles, networking with community leaders and investigating career options.

- 17 participants in 2012
- 10 participants in 2013

The program included a visit to Monash University and Parliament House and covered a range of topics including:

- public speaking;
- introduction to leadership; and
- development of leadership styles.

In June 2013, the Youth Leadership Program visited the Hawthorn Football Club with the aim to show our youth the importance of developing strong leadership skills.

## Have your say

Community engagement activities are promoted in a variety of ways at Latrobe City Council to ensure our community has the opportunity to get involved, including:

- the Council Notice Board, published in the Latrobe Valley Express;
- on the 'Have Your Say' section of Council's website; and
- through the Community Sounding Board, a new initiative that captures all community engagement that Council has on offer in a monthly bulletin.

During 2012/13 there were 19 'Have your say' pages on Council's website seeking input from the community on a range of strategies, plans and projects. Some of the initiatives included:

- Latrobe City Municipal Public Health and Wellbeing Plan;
- Latrobe City Council Draft Budget 2013/14;
- Draft Public Open Space Strategy;
- Proposed Leisure membership options;
- 2013 Employment and Industry Survey;
- Traralgon North Development Plan and Development Contribution Plan; and
- Draft Council Plan 2013-2017.



Image: Latrobe City Council Staff

## Audit Committee

The Audit Committee's role is to assist Council in the effective conduct of financial reporting, management of risk, maintaining internal controls and facilitating ethical development.

The committee met five times during the year and is comprised of two independent external members, Mr Ron Gowland and Mrs Chris Trotman, and two councillors, Cr Darrell White and Cr Michael Rossiter, with Cr Kellie O'Callaghan as alternative. The Chief Executive Officer, General Manager Governance, Manager Finance and Manager Risk and Compliance also attend Audit Committee meetings.

During the year, the committee dealt with a range of activities including:

- internal audit program;
- 2013/14 Annual Budget;
- 2012/13 financial statements;
- risk management;
- outstanding debtors review;
- quarterly financial and performance reports, and mid-year review;
- monthly performance reporting; and
- strategic risk reporting.

## Internal Audit Program

Latrobe City Council engages the services of RSM Bird Cameron to provide its internal audit services. A three year internal audit program has been established to review a range of internal functions of Council.

The following reviews were undertaken during the year:

- Cash Handling and Receipting Processes Review;
- Infringements and Permits Processes Review;
- Immunisation Management Review;
- Procurement and Accounts Payable Review; and
- Human Resources Management Review.

## Insurance Audits

Latrobe City Council participates in an insurance scheme that is specific to Victorian local government. The scheme carries out audits of Council's risk management on a bi-annual basis. These are used for benchmarking of local government authorities across Victoria.

An audit of Latrobe City Council's public liability risk management was undertaken in February 2013, and a score of 82%, an increase from 73% at last review, was achieved.

## Insurance

Latrobe City Council has a responsibility to ensure that the nature and extent of our insurance cover is adequate. Latrobe City Council has insurance policies covering:

- public liability;
- industrial special risk (i.e. property and art work) and business interruption;
- public/products liability;
- councillors and officers liability;
- motor vehicles;
- engineering risks;
- machinery and computer breakdown;
- hangar keeper's liability; and
- personal accident/corporate travel.

These insurances are reviewed annually and adjusted accordingly, having consideration for the associated risks, past history and the benefit of expert advice.

Latrobe City Council liaises regularly with its insurers regarding changes in legislation, court decisions and industry best practice. It manages public and property liability claims based on the framework and advice of its insurers.

## Occupational Health, Safety and Wellbeing

### Risk Management

The Risk Management Plan 2011-2014 sets out Council's commitment to risk management and is aligned to the risk management standard, AS/ISO 31000. It is applicable to the management of all risks facing the organisation including; financial, reputation, Occupational Health and Safety (OHS), personnel, environmental, and legislative.

Actions and initiatives implemented during 2012/13 include:

- quarterly risk project assurance group meetings;
- reviewed and improved frameworks, procedures and tools for staff;
- considered strategic, organisational and team risk registers as part of organisational business planning;
- improved consideration of risk across organisational processes including Council reports and business cases;
- continued involvement in risk networks and forums;
- review of insurance policies and participation in insurance audits;
- commenced a comprehensive review of council's Business Continuity Plan to ensure Council is in the best position to respond to a business disruption;
- handled insurance claims and renewals, including Council's property, motor vehicle, public liability and professional indemnity; and
- processing of public liability claims, including receipt of 162 reports/approaches, resulting in 35 claims, with 20 of those accepted (i.e. paid out).

### WorkCover

The health and safety of employees continues to be a leading priority.

WORKCOVER	2011/12	2012/13
Standard claims	9	16
Minor claims	8	7
Claims closed	4	18
<b>Total claims received</b>	<b>17</b>	<b>23</b>

\* Latrobe City Council's WorkCover Insurance premium for 2012/13 was \$927,574 which was an increase of \$244,781 compared with 2011/12.

### Hazard Incident and Reporting

The Hazard and Incident Reporting and Investigation Procedure was updated in April 2012. Since the procedure's introduction there has been a significant increase in the reporting of near-misses, 35 compared to seven in the previous year. Reporting of near misses allows for Council to be proactive in preventing incidents. The number of lost time injuries in excess of one day has remained stable. There were no WorkSafe notifiable incidents in 2012/13.

HAZARD INCIDENT AND REPORTING	2011/12	2012/13	% CHANGE
Lost time injuries	16	16	0
Medical Treatment injuries	11	14	27
Non Lost Time injuries	33	48	45
Near Miss Reports	7	35	400
Reports Only (incidents without injuries and hazard reports)	28	31	11
Notifiable Incident	6	0	-100

### OHS Highlights for 2012/13:

- WorkSafe week activities during October 2012.
- Onsite Work Health Checks with a total of 393 employees participating.
- Trial of stand-up workstations.
- OHS Cyclic Action Plan Procedure adopted.
- OHS essential training for managers and coordinators delivered.
- Emergency Preparedness Committee was established.
- WorkSafe issued five Improvement Notices which were actioned within the required timeframe.

# COMMITTEES

## Council (Special) Committees

COMMITTEE	REPRESENTATIVES
Latrobe Regional Airport Board	Cr Middlemiss <i>Alternative: Cr Kam</i>
The Yallourn North Community Housing Committee	Cr Middlemiss
Mayoral Sponsorship Committee	Mayor <i>Alternative: Deputy Mayor</i>

## Operational (Works) Committees of Council

Callignee and Traralgon South Sporting and Facility User Group Committee	Cr Rossiter
Crinigan Bushland Reserve Committee of Management	Cr Middlemiss
Edward Hunter Heritage Bush Reserve Committee of Management	Cr Gibbons, Cr Gibson
Friends of the Traralgon Railway Reservoir Conservation Reserve Committee	Cr Harriman
Mathison Park Advisory Committee	Cr White
Morwell Centenary Rose Garden Advisory Committee	Cr Sindt <i>Alternative: Cr Middlemiss</i>
Ollerton Avenue Bushland Reserve Committee of Management	Cr Gibbons, Cr Gibson

## Advisory Committees

Audit Committee (Pursuant to s.139 of the <i>Local Government Act 1989</i> )	Cr White, Cr Rossiter <i>Alternative: Cr O'Callaghan</i> <i>Attendance By Invitation: All Councillors</i>
Australia Day Advisory Committee	Cr Sindt, Cr White
Braiakaulung Advisory Committee	Cr O'Callaghan, Cr White
Chief Executive Officer Performance Review Committee	Mayor, Cr Gibson, Cr White, Cr Rossiter
Churchill & District Community Hub Advisory Committee	Cr White
City Image Strategy Project Reference Group	Cr Sindt <i>Attendance By Invitation: All Councillors</i>
Coal Land Use Planning Committee	Cr Gibbons, Cr Harriman, Cr Kam, Cr Middlemiss, Cr Gibson
Community Engagement Reference Group	Cr Gibbons, Cr Kam, Cr Rossiter
Disability Reference Committee	Cr O'Callaghan <i>Alternative: Cr Gibson</i>
Early Years Reference Committee	Cr O'Callaghan, Cr Sindt
Jumbuk and Yinnar South Timber Traffic Reference Group	Cr White, Cr Kam
Latrobe City Cultural Diversity Advisory Committee	Cr Gibbons, Cr Kam

*Advisory Committees continued*

COMMITTEE	REPRESENTATIVES
Latrobe City Hyland Highway Municipal Landfill Consultative Committee	Cr Harriman, Cr Gibbons
Latrobe City International Relations Committee	Cr Sindt, Cr White, Cr Gibbons
Latrobe Regional Gallery Advisory Committee	Cr Gibbons, Cr White
Latrobe Tourism Advisory Board	Cr Sindt, Cr White
Link Editorial Committee	Mayor, Cr Gibson, Cr Middlemiss
Morwell CBD Safety Group	Cr Sindt, Cr Middlemiss, Cr Kam
Morwell Town Common Development Plan Project Control Group	Cr Sindt, Cr Middlemiss
Municipal Emergency Management Planning Committee (Pursuant to sect. 21 of the <i>Emergency Management Act 1986</i> )	Cr Harriman, Cr Gibson <i>Alternative: Cr Sindt</i>
Oldsmobile Management Committee	Mayor
Positive Ageing Reference Group	Cr O'Callaghan, Cr Kam
Rail Freight Working Group	Cr Middlemiss, Cr Gibbons
Sale of Goods from Council Properties Committee	Cr Kam, Cr Gibson
Social Planning for Wellbeing Committee	Cr Kam
Traralgon Aquatic Facility Working Party	Cr Harriman <i>Attendance By Invitation: All Councillors</i>
Traralgon CBD Safety Committee	Cr Kam, Cr Rossiter
Traralgon East Community Centre Advisory Committee	Cr Rossiter <i>Alternative: Cr O'Callaghan</i>
Traralgon Parking Precinct Plan Working Group	Cr Harriman <i>Attendance By Invitation: All Councillors</i>
Victory Park Precinct Advisory Committee	Cr Kam, Cr Harriman
War Memorials Advisory Committee	Mayor
Warren Terrace Hazelwood North Recreation Reserve Advisory Committee	Cr Kam <i>Alternative: Cr O'Callaghan</i>

## User Groups

COMMITTEE	REPRESENTATIVES
Latrobe City Lake Narracan User Group Committee	Cr Gibbons, Cr Gibson
Latrobe City Synthetic Sports Field User Group Committee	Cr White
Latrobe Leisure Churchill User Group	Cr White
Latrobe Leisure Moe Newborough User Group	Cr Gibbons, Cr Gibson
Latrobe Leisure Morwell User Group	Cr Sindt, Cr Middlemiss
Latrobe Leisure Traralgon Sports Stadium User Group	Cr Kam, Cr Harriman
Latrobe Regional Motorsport Complex User Group	Cr Gibson (Chair), Cr Middlemiss
Moe Southside Community Precinct User Group Committee	Cr Gibbons, Cr Gibson
Traralgon Recreation Reserve and Showgrounds User Group Committee	Cr Kam
Traralgon West Sporting Complex User Group Committee	Cr Kam



## External Committees

COMMITTEE	REPRESENTATIVES
Alliance of Councils for Rail Freight Development	Cr Middlemiss <i>Alternative: Cr Gibbons</i>
Apprenticeships Group Australia Board	Cr White <i>Alternative: Cr Gibson</i>
Australian Paper Community Environmental Consultative Committee	Cr Middlemiss
Baw Baw Latrobe Local Learning & Employment Network Board	Cr Sindt
Gippsland Local Government Network (GLGN)	Mayor
Gippsland Regional Waste Management Group (GRWMG) Board	Cr Middlemiss <i>Alternative: Cr Gibbons</i>
Gippsdown Reserve Committee of Management Inc.	By Invitation: Cr Gibbons <i>Alternative: Cr Gibson</i>
International Power Hazelwood Environmental Review Committee	Cr White
Latrobe Settlement Committee	Cr O'Callaghan, Cr Gibbons
Loy Yang Power Environmental Review Committee	Cr Sindt
Moe Yallourn Rail Trail Committee Inc.	West Ward Councillors: Cr Gibson and Cr Gibbons
Morwell River Neighbourhood Improvement Plan Steering Committee	Cr White
Municipal Association of Victoria (MAV)	Cr Harriman <i>Alternative: Cr Kam</i>
Regional Aboriginal Justice Advisory Committee (RAJAC)	Cr Gibson
Regional Cities Victoria	Mayor
Roadsafe Gippsland Community Road Safety Council	Cr Kam, Cr Gibson
South East Australian Transport Strategy (SEATS)	Cr Middlemiss <i>Alternative: Cr Gibbons</i>
Timber Towns Victoria	Cr Kam
Traralgon Creek Neighbourhood Improvement Plan Steering Committee	Cr Kam
TRU Energy Yallourn Environmental Review Committee	Cr Sindt
Victorian Local Governance Association (VLGA)	Mayor <i>Alternative: Deputy Mayor</i>
West Gippsland Catchment Management Authority – Central Catchment Ecosystem Advisory Group (CCEAG)	Cr Kam <i>Alternative: Cr Gibson</i>

Thank you to outgoing councillors Lisa Price, Bruce Lougheed and Ed Vermeulen who served between July 2012 and October 2012.

*Image (opposite page): Lake Narracan*



## STATUTORY information

### Documents for public inspection

In accordance with Section 11 of the *Local Government (Finance and Reporting) Regulations 2004*, the following documents are available for public inspection:

- current allowances fixed for the Mayor and councillors;
- details of Senior Officers' total salary packages for the current financial year and the previous year;
- overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by councillors or council officer in the previous 12 months;
- council officers required to submit a return of interest during the financial year;
- councillors who submitted a return of interest during the financial year;
- agendas and minutes of Ordinary and Special Council Meetings held in the previous 12 months;
- a list of all Special Committees established by Council and the purpose for which each committee was established;
- a list of all Special Committees established by the Council which were abolished or ceased to function during the financial year;
- minutes of Special Committees Meetings;
- register of delegations;
- submissions received in accordance with Section 223 of the Act during the previous 12 months;
- agreements to establish regional libraries;
- details of all property, finance and operating leases involving land, buildings, plant,

computer equipment or vehicles entered into by the Council as lessor or lessee;

- a register of authorised officers;
- a list of donations and grants made by the Council during the financial year;
- organisations of which the Council was a member during the financial year; and
- a list of contracts valued at \$100,000 or more which the Council entered into during the financial year without first engaging in a competitive process.

Other documentation and registers available to the public include:

- The Councillor Reimbursement Policy (known as Provision of Resources and Support to Councillors Policy 11 POL-5);
- The Councillor Code of Conduct;
- Records of Assembly of Councillors;
- Register of Interests;
- Local Laws No. 1, No. 2 and No. 3;
- The Council Plan;
- The Strategic Resource Plan;
- The Annual Budget;
- The Annual Report including the Auditor's Report; and
- All adopted Council Policies.

In accordance with Section 222 of the *Local Government Act 1989*, inspection of these documents at Latrobe City Council's Corporate Headquarters, 141 Commercial Road, Morwell, can be arranged by contacting Latrobe City Council on 1300 367 700. A number of these documents are also available on Council's website.



## Information Management

### Freedom of Information

The *Freedom of Information Act* 1982 gives the community the right to access certain Council documents. The Act has four basic principles:

- local governments are required to publish information about the documents they hold, particularly those which affect members of the public in their dealings with Council;
- each person has a legally enforceable right to access information, limited only by exemptions necessary for the protection of the public interest and the private and business affairs of persons from whom information is collected by Council;
- people may request inaccurate, incomplete, out of date or misleading information in their personal records be amended; and
- people may appeal against a decision not to give access to information or not amend a personal record.

During the 2012/13 financial year, Latrobe City Council received 23 requests to access information under the Freedom of Information legislation. This is 17 more than the previous year. Freedom of Information requests must be made in writing and accompanied by a \$25.10 application fee. A total of nine requests were made under the hardship provisions of the Act and no fee was charged.

Requests for access to information should be addressed to:

Freedom of Information Officer  
Latrobe City Council  
PO Box 264  
MORWELL VIC 3840

In accordance with the *Freedom of Information Act 1982*, Latrobe City Council must decide if this information will be provided within 45 days. Of the 23 requests received, all were processed within the statutory timeframe.

### Information Privacy

Latrobe City Council is obliged to ensure the personal privacy of all residents and ratepayers in accordance with the *Information Privacy Act 2001*. Council will only collect, use or disclose personal information where it is necessary to perform Council functions or where required by law.

Council has adopted a Privacy Policy which can be obtained upon request. During the 2012/13 financial year, there were no complaints referred to the Privacy Commissioner and no breaches of the Act.

### Charter of Human Rights and Responsibilities

Latrobe City Council is subject to the *Charter of Human Rights and Responsibilities Act 2006*. All Latrobe City Council policies have been adopted following proper consideration of all of the rights contained within the Act.

### Protected Disclosures

The *Protected Disclosures Act 2012* has recently replaced the *Whistleblowers Protection Act 2001* in Victoria. The Act encourages and facilitates disclosures of wrongful acts by protecting those who disclose wrongful acts.

The Act relates to the behaviours and actions of council officers and councillors. A person is entitled to make a complaint pursuant to the Act by contacting the Independent Broad-based Anti-corruption Commission. During the 2012/13 financial year there were no disclosures made or referred to Latrobe City Council or the Ombudsman of Victoria under the *Whistleblowers Act 2001* or the *Protected Disclosures Act 2012*.

Latrobe City Council supports the aims and objectives of the Act, endorsing a framework applying to all of its employees. The Whistleblowers Operational Framework will be reviewed and updated in 2013/14 in accordance with the new Act.

### Carers Recognition Act 2012

Latrobe City Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*. Council has promoted the principles of the Act to people in care relationships who receive council services; to people in care relationships, and to the wider community by:

- distributing printed material through relevant council services;
- displaying posters at council community venues;
- providing links to state government resource materials on council's website; and
- providing information to organisations represented in council/community networks.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- council induction and training programs for staff working in home and
- community care and disability services;
- council induction and training programs for staff working in front-line positions with the general community; and
- induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

### Disability Action Plan 2012/13

One of the goals of the Disability Action Plan is to initiate, or contribute to, projects and/or strategies to make Latrobe City the most liveable city in Victoria for people with a disability and their families.

The Disability Action Plan had 11 actions for 2012/13. Achievements included:

- involvement in the development of the Latrobe City Council People Plan to ensure equal and flexible opportunities for people with a disability to work for Council;
- delivery of three disability awareness sessions to leisure staff, raising awareness of good customer service and communication – it is anticipated in 2013/14 all Latrobe Leisure centres will be accredited with the Communication Access Symbol; and
- disability awareness training occurred with the service centre staff to raise awareness about emerging applications available which support people with a disability.

*Images: 1. Meals on Wheels*

*2. Latrobe City Council Headquarters Scope Access Symbol*

*3. Moore St Preschool 4. Latrobe Leisure Churchill*

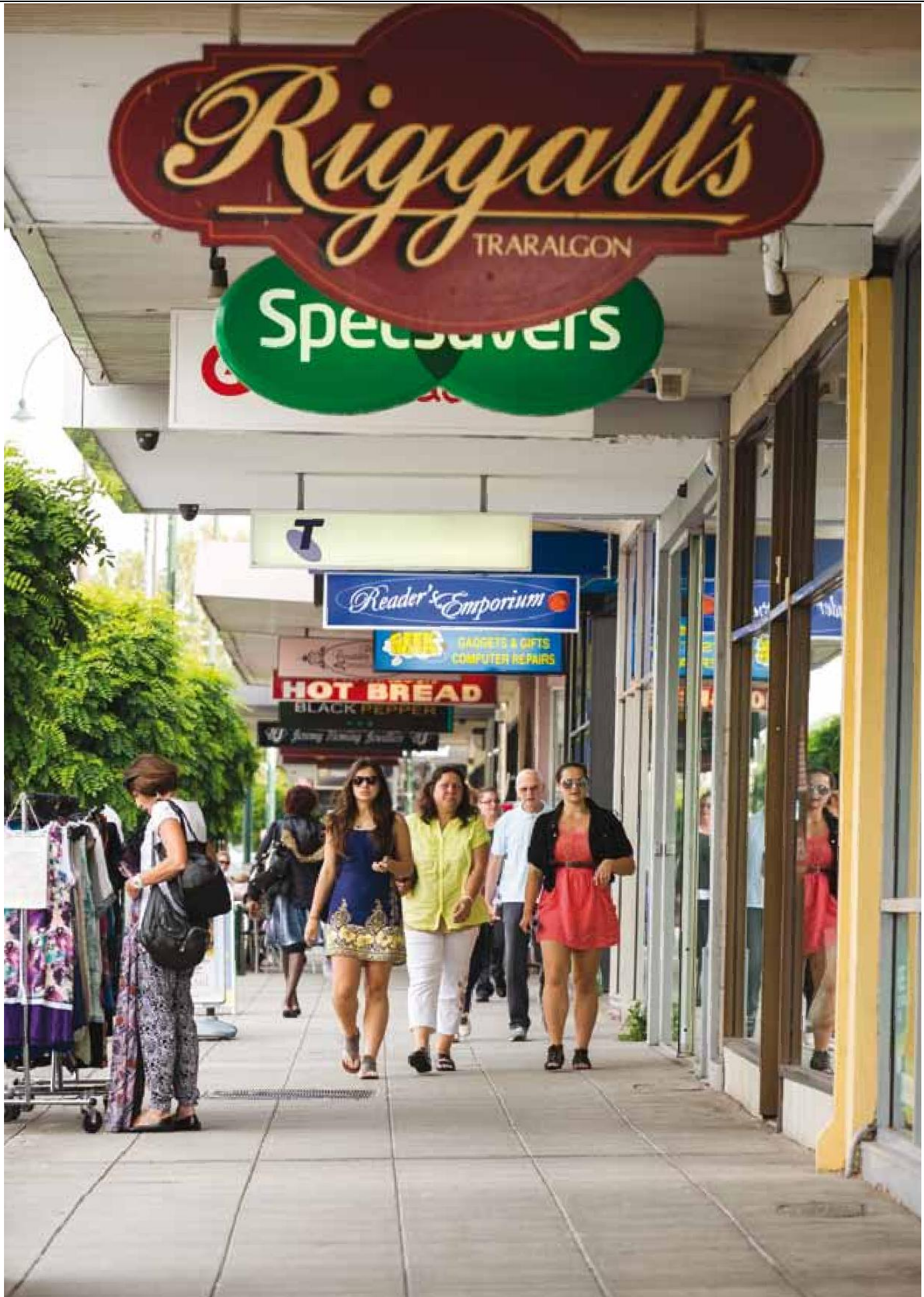




# VICTORIAN LOCAL GOVERNMENT INDICATORS

The Victorian Government requires all Victorian councils to measure and annually report against 11 Victorian Local Government Indicators. These indicators are designed to quantify aspects of expenditure, the cost of service and infrastructure provision, customer satisfaction and governance. Latrobe City Council's results for the last three years are provided for comparison.

CATEGORY	VLGI #	DESCRIPTION	2010-11	2011-12	2012-13
COST OF GOVERNANCE	1	Average rates and charges per assessment	\$1,483	\$1,582	\$1,683
	2	Average residential rates and charges per assessment	\$1,159	\$1,250	\$1,346
SUSTAINABILITY	3	Average liabilities per assessment	\$1,484	\$1,642	\$1,651
	4	Operating result per assessment	\$442	\$169	\$256
SERVICES	5	Average operating expenditure per assessment	\$2,657	\$2,911	\$2,839
	6	Community satisfaction rating for the overall performance of Council	57	61	53
INFRASTRUCTURE	7	Average capital expenditure per assessment	\$900	\$625	\$653
	8	Renewal	99%	103%	96%
	9	Renewal and maintenance	99%	102%	98%
GOVERNANCE	10	Community satisfaction rating for the Council's advocacy and community representation on key local issues	58	56	49
	11	Community satisfaction rating for the Council's engagement in decision making on key local issues	50	54	50



- Financial Statements
- Standard Statements
- Performance Statement



## FINANCIAL REPORT

This report shows how Council performed financially during the 2012/2013 financial year. It also provides the overall financial position of Council as at 30 June 2013.

Latrobe City Council presents this Finance Report in accordance with the Australian Accounting Standards, the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*. As the Council is a not-for-profit organisation, some terms used in the private sector are not appropriate for use with these statements.

## Introduction

The Finance Report contains the following three sets of statements;

- Financial Statements
- Standard Statements
- Performance Statement

The statements and notes to the accounts are prepared by the Council's Finance Unit, audited by the Victorian Auditor General and examined by the Audit Committee and Council.

## Financial Statements

### Comprehensive Income Statement

The Comprehensive Income Statement shows:

- revenue sources by income category;
- expenses relating to Council operations, not including costs associated with capital purchases, construction and asset renewal. While capital expenditure costs are not shown, asset depreciation and amortisation is included; and
- other comprehensive income items (e.g. Asset Revaluation Reserve increments/decrements).

The key figure in this statement is the surplus or deficit for the year. A surplus indicates that revenue exceeded expenses.

### Balance Sheet

The Balance Sheet is a summary of Council's financial position as at the 30 June 2013. It shows what Council owns as assets and what is owed in liabilities. Assets and liabilities are split into current and non-current items. Current items reflect those assets or liabilities that will fall due in the next 12 months. The 'Total Equity' line of this statement indicates the net worth of Council which has been accumulated over many years.

### Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the 2012/2013 financial year indicating the net increase or decrease in cash held by Latrobe City Council. Values in this statement represent 'cash-in-hand' and may vary from the Income Statement and Balance Sheet which are prepared on an accrual basis.

### Statement of Changes in Equity

This statement summarises the change in the net worth of Latrobe City Council. The net worth of Council can change as a result of:

- a surplus or deficit recorded in the Income Statement;
- use of money from Council reserves;
- an increase or decrease in the value of non-current assets based on revaluation of assets.

### Notes to the Financial Statements

These notes provide detailed information to assist understanding of the financial statements including statement preparation procedures, significant Council accounting policies, and many summary figures underlying the values contained within the statements. Notes also provide information and detail that Council wishes to provide but cannot be included within the financial statements. Numbers associated with notes are shown beside the relevant items within the Financial Statements.





## Standard Statements

Latrobe City Council is required to present audited Standard Statements of Income, Balance Sheet, Cash Flows and Capital Works in accordance with the *Local Government Act (1989)*. Each Standard Statement reports the difference between actual results for the financial year and the adopted Council budget that was established at the start of the financial year. Any major differences between the Financial Statements and the Standard Statements are explained within the notes.

These Standard Statements reflect the Financial Statements with the addition of the Capital Works Statement. The Statement of Capital Works provides details of Council expenditure on creating, purchasing, renewing and upgrading property, infrastructure, plant and equipment by asset category.

## Performance Statement

The Performance Statement reports on the performance against the Key Strategic Activities identified in the 2012/2013 adopted Council budget. *Section 127 of the Local Government Act 1989* requires identification of key activities that will be pursued in support of the strategic objectives.

The Performance Statement reports on the outcome of these performance measures. The reported result is reviewed by the external auditors, with supporting evidence and data scrutinised to ensure accuracy of performance reporting.

## Certification Reports

Certification of the Principal Accounting Officer is made by the Latrobe City Council Manager Finance who is responsible for the financial management of Council. The report certifies that in their opinion, the financial statements have met all statutory and professional reporting requirements.

Certification is also required by the Latrobe City Council Chief Executive Officer, and two Councillors on behalf of Council. Their reports certify that in their opinion, the financial statements are fair and not misleading.

## Auditor General Report

The Independent Audit Report presents an external professional opinion on the financial statements. The report provides confirmation that the Finance Report has been prepared to comply with relevant legislation and professional standards, and provides a fair representation of Council finances.

Image (opposite page): Latrobe Regional Gallery



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Images (opposite page): Roadworks, Latrobe City Staff

# FINANCIAL STATEMENTS

## COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 \$'000s	2012 \$'000s
<b>INCOME</b>			
Rates	2	62,637	58,762
Grants	3	30,044	35,386
User Charges	4	14,759	12,388
Other Income	5	4,479	4,544
Developer Cash Contributions	6	665	297
Developer Contributed Assets	7	2,150	1,971
Net gain(loss) on disposal of assets	18(b)/20(b)	(28)	196
Recognition of Previously Unrecognised Assets	20(a)	407	-
<b>Total Income</b>		<b>115,113</b>	<b>113,545</b>
<b>EXPENSES</b>			
Employee Costs	8	(46,563)	(51,098)
Materials & Services	9	(33,768)	(33,060)
Bad and Doubtful Debts	10	(4)	(31)
Depreciation	11	(20,004)	(18,526)
Finance Costs	12	(1,086)	(1,226)
Other Expenditure	13	(4,164)	(3,382)
<b>Total Expenses</b>		<b>(105,590)</b>	<b>(107,322)</b>
<b>SURPLUS</b>		<b>9,523</b>	<b>6,222</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Net Asset Revaluation increment	20(a)/26(a)	91,459	2,629
Impairment losses on Revalued Assets	20(a)/26(a)	-	(61)
Reversal of Impairment losses on Revalued Assets	20(a)/26(a)	61	-
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>101,043</b>	<b>8,790</b>

*The above statement should be read with the accompanying notes*

**BALANCE SHEET AS AT 30 JUNE 2013**

	NOTE	2013 \$'000s	2012 \$'000s
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	14	27,663	27,723
Prepayments	15	207	354
Trade and Other Receivables	16	6,293	7,359
Financial Assets	17	19,500	14,310
Non-current assets classified as held for sale	18(a)	-	743
<b>Total Current Assets</b>		<b>53,662</b>	<b>50,490</b>
<b>NON-CURRENT ASSETS</b>			
Trade and Other Receivables	16	26	46
Financial Assets	17	2	2
Property, Infrastructure, Plant and Equipment	20	1,029,689	931,399
Intangible Assets	21	261	304
<b>Total Non-Current Assets</b>		<b>1,029,979</b>	<b>931,752</b>
<b>TOTAL ASSETS</b>		<b>1,083,641</b>	<b>982,242</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	22	16,695	7,974
Interest-bearing Liabilities	23	2,959	3,151
Provisions	24	12,492	12,059
Trust Funds and Deposits	25	2,043	1,520
<b>Total Current Liabilities</b>		<b>34,188</b>	<b>24,704</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and Other Payables	22	-	6,975
Interest-bearing Liabilities	23	11,427	13,386
Provisions	24	15,794	15,990
<b>Total Non-Current Liabilities</b>		<b>27,221</b>	<b>36,350</b>
<b>TOTAL LIABILITIES</b>		<b>61,409</b>	<b>61,053</b>
<b>NET ASSETS</b>		<b>1,022,232</b>	<b>921,188</b>
<b>EQUITY</b>			
Accumulated Surplus		620,526	611,558
Reserves	26	401,706	309,630
<b>TOTAL EQUITY</b>		<b>1,022,232</b>	<b>921,188</b>

*The above statement should be read with the accompanying notes*

## FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	TOTAL	ACCUMULATED SURPLUS	ASSET REVALUATION RESERVE	OTHER RESERVES
		\$'000s	\$'000s	\$'000s	\$'000s
Equity at beginning of year		921,188	611,558	307,733	1,897
Surplus for the period		9,523	9,523	-	-
Net Asset Revaluation Increment	26(a)	91,459	-	91,459	-
Transfers to Other Reserves	26(b)	-	(665)	-	665
Transfers for Other Reserves	26(b)	-	110	-	(110)
Reversal of Impairment losses on Revalued Assets		61	-	61	-
<b>Balance at end of the financial year</b>		<b>1,022,232</b>	<b>620,526</b>	<b>399,254</b>	<b>2,452</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	TOTAL	ACCUMULATED SURPLUS	ASSET REVALUATION RESERVE	OTHER RESERVES
		\$'000s	\$'000s	\$'000s	\$'000s
Equity at beginning of year		912,398	605,630	305,165	1,603
Surplus for the period		6,222	6,222	-	-
Net Asset Revaluation Increment	26(a)	2,629	-	2,629	-
Transfers to Other Reserves	26(b)	-	(297)	-	297
Transfers for Other Reserves	26(b)	-	3	-	(3)
Impairment losses on Revalued Assets		(61)	-	(61)	-
<b>Balance at end of the financial year</b>		<b>921,188</b>	<b>611,558</b>	<b>307,733</b>	<b>1,897</b>

The above statement should be read with the accompanying notes

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 \$'000s Inflows (Outflows)	2012 \$'000s Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from ratepayers		62,471	58,240
Government Grants (inclusive of GST)		30,458	40,398
Interest received		1,773	1,654
User charges, fines and fees (inclusive of GST)		19,591	22,042
Developer Contributions		665	297
Payments to Employees		(46,008)	(48,454)
Payments to Suppliers (inclusive of GST)		(37,125)	(38,697)
<b>Net Cash provided by Operating Activities</b>	33	<b>31,824</b>	<b>35,479</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, infrastructure, plant and equipment		(24,286)	(23,050)
Proceeds from sale of property, infrastructure, plant and equipment	20(b)	828	863
Payments for financial assets		(5,190)	(9,310)
<b>Net Cash used in Investing Activities</b>		<b>(28,648)</b>	<b>(31,497)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Finance Costs		(1,086)	(1,226)
Loan Funds		1,000	1,200
Repayment of Borrowings		(3,150)	(2,843)
<b>Net Cash used in Financing Activities</b>		<b>(3,237)</b>	<b>(2,869)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(60)</b>	<b>1,113</b>
Cash and Cash Equivalents at beginning of the Financial Year		27,723	26,609
<b>Cash and Cash Equivalents at the end of the Financial Year</b>	14	<b>27,663</b>	<b>27,723</b>

*The above statement should be read with the accompanying notes*

NOTES TO THE FINANCIAL STATEMENTS

# NOTES TO THE FINANCIAL STATEMENTS

## INTRODUCTION

The Latrobe City Council was established by an Order of the Governor in Council on 2 December 1994 and is a body corporate. The Council's main office is located at 141 Commercial Road Morwell 3840.

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, a Balance Sheet, a Statement of Changes in Equity, and Statement of Cash Flows and Notes accompanying these statements. The general purpose financial report complies with *Australian Accounting Standards*, other authoritative pronouncements of the *Australian Accounting Standards Board*, the *Local Government Act 1989* and the *Local Government (Financial and Reporting) Regulations 2004*.

## NOTE 1

### SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of accounting

This financial report has been prepared on an accrual basis and going concern basis.

The financial report has been prepared under the historical cost convention except where specifically stated in notes 1(h) and 1(j).

Unless otherwise stated, all accounting policies are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. The Yallourn North Housing Committee is not included in this financial report based on their materiality.

#### (b) Change in accounting policies

No changes in accounting policy were implemented in the reporting period.

#### (c) Revenue Recognition

##### *Rates, grants and contributions*

Rates, grants, donations and contributions (including developer contributions), are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 3. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.



**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES*****User Fees and Fines***

User fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for doubtful debts is recognised when collection in full is no longer probable.

***Sale of property, plant and equipment***

The profit or loss on the sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

***Rental***

Rentals are recognised as revenue when the payment is due, or the payment is received, whichever first occurs.

***Interest***

Interest is recognised as it is earned.

**(d) Trade and other Receivables*****Rate Debtors***

Rates are carried at amortised cost plus interest and are secured by a charge over the ratepayer's property. A provision for doubtful rate debtors is not required due to the Council's extensive legal powers for recovery, unless the value of the specific property involved is less than the outstanding debt.

***Other Debtors***

Other debtors represent amounts due to Council for the provision of services, advances and accrued income. The carrying amount of non-rate debtors (including any loans made) has been assessed for recovery at year end and provision made for doubtful debts as deemed necessary. Recoverability of debtors is reviewed on an ongoing basis throughout the course of each financial year and debts which are known to be uncollectable are written off.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****(e) Depreciation and amortisation of property, plant and equipment, infrastructure and intangibles**

Buildings, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Land, Land Under Roads and Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Artworks are not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Asset Category	Depreciation/Amortisation Useful Life (Years) 2013
Building & Improvements	30 – 50
Furniture & Equipment	5 -10
Plant & Equipment	5
Drainage Works	50 – 70
Roads & Streets	7 – 73
Bridges	75
Playgrounds	11
Landfill Improvements	2 - 31
Intangible Assets - Software	5

Various sub-categories of furniture and equipment, plant and equipment, car parks and roads have different estimated useful lives and therefore attract different depreciation rates.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the date they are completed and held ready for use.

**(f) Repairs and maintenance**

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**(g) Finance Costs**

Finance costs are recognised as an expense in the period in which they are incurred.

**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****(h) Recognition and Measurement of Assets****Acquisition**

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by Council, cost includes all materials used in construction, any direct labour and an appropriate share of directly attributable variable and fixed overheads.

**Capitalisation Thresholds**

Capitalisation thresholds for all classes of assets, with the exception of Land, are as shown below which are consistent with prior year unless otherwise stated. Land including Land Under Roads has no capitalisation threshold.

Asset Type	Threshold \$
<b>Property</b>	
Buildings & Improvements	10,000
<b>Plant and Equipment</b>	
Furniture & Equipment	1,000
Plant and Equipment	1,000
Art Works Collection	500
<b>Infrastructure</b>	
Drainage Works	10,000
Roads & Streets	10,000
Bridges	10,000
Playgrounds	5,000
<b>Intangibles</b>	
Software	5,000

**Revaluation**

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment and office furniture and equipment are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets within land and buildings and infrastructure assets to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from the fair value the class of asset is revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

**Land under roads**

Council recognises land under roads it controls at fair value. A revaluation is undertaken every 2 years.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****(i) Cash and Cash Equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

**(j) Financial Assets*****Held-to-maturity investments***

Where council has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The held-to-maturity category includes certain floating rate note and variable coupon bond investments for which the entity intends to hold to maturity.

***Term Deposits***

Includes investments with original maturities of greater than three months.

**(k) Investment**

Investments are recognised and brought to account at their cost. Interest revenues are recognised as they accrue.

**(l) Trade and Other Payables**

Creditors and other current liabilities are amounts due to external parties for the purchase of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid within 30 days after initial recognition. Interest is not payable on these liabilities.

**(m) Deposits and Retentions**

Amounts received as tender deposits and retention amounts controlled by Council are included in the financial statements as liabilities until they are returned or forfeited.

**(n) Employee Costs*****Salaries and Wages***

Liabilities for wages and salaries are measured as the amount unpaid at balance date. Entitlements include oncosts that are calculated using employee remuneration rates as at balance date.

***Long Service Leave***

Long Service Leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long Service Leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long Service Leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth Bond Rates are used for discounting future cash flows.

***Annual Leave***

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave is expected to be paid within 12 months and is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****Classification of Employee Benefits**

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

**Superannuation**

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees, together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are set out in Note 31.

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.65%.

**(o) Leases**

All Council's leases are deemed to be "operating leases" as the lessor effectively retains substantially all of the risks and benefits incidental to ownership of the leased items. The related rentals are expensed as incurred. (refer to Note 29)

**(p) Allocation between Current and Non-Current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

**(q) Agreements equally proportionately unperformed**

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

**(r) Web site costs**

Costs in relation to websites are charged as an expense in the period in which they are incurred.

**(s) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(t) Impairment of Assets**

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****(u) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statements may not equate due to rounding.

**(v) Non-Current Assets Classified as Held for Sale**

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell and are not subject to depreciation. Non current assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

**(w) Contingent assets and contingent liabilities and commitments**

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented exclusive of the GST payable.

**(x) Provisions**

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, where it is probable (more likely than not) that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

**(y) Landfill Improvements Provision**

Under legislation Council is obligated to rehabilitate landfill sites to a particular standard. Current engineering projections indicate that all current landfill sites will cease operation in 2027/28. The forecast for life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill rehabilitation has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to restore the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****(z) Pending Accounting Standards**

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date

**PRONOUNCEMENT****AASB 9 Financial Instruments****What's New**

AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard was expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.

AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.

The new categories of financial assets are:

- Amortised cost those assets with 'basic' loan features'
- Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable).
- Fair Value through profit and Loss - everything that does not fall into the above two categories.

The following changes also apply:

- Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value.
- There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.
- Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.

**Impact/Action**

The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.

This will also create a requirement to measure some instruments annually that has not previously existed.

**Transition**

Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions.

Early-adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives

**Effective Date**

Periods beginning on or after 1 January 2015.

The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****PRONOUNCEMENT****AASB 10 Consolidated Financial Statements****What's New**

The standard introduces a single model of control, which is used to determine whether an investee must be consolidated.

The existence of control is determined based on:

- Power to direct the activities of an investee (irrespective of whether such power is exercised).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of the investor's returns.

**Impact/Action**

The definition of 'control' is based on various factors, and is wider than just those entities in which an investee holds greater than 50% of the voting rights.

While the effects of this standard are not expected to be significant in the local government sector, there may be some increase in the number of entities required to be consolidated as subsidiaries.

**Transition**

Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

**Effective Date**

Periods beginning on or after 1 January 2013

**PRONOUNCEMENT****AASB 11 Joint Arrangements****What's New**

AASB 11 classifies all joint arrangements as either joint operations or joint ventures:

- Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement.
- Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see below).

**Impact/Action**

The use of proportionate consolidation to account for joint ventures is no longer permitted. This is not likely to impact many councils.

**Transition**

Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

**Effective Date**

Periods beginning on or after 1 January 2013



**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****PRONOUNCEMENT****AASB 12 Disclosure of Involvement with Other Entities****What's New**

AASB 12 requires the disclosure of information to enable users to evaluate:

- The nature of, and risks associated with, its interests in other entities.
- The effect of those interests on its financial position, financial performance, and cash flows.

AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories:

- Significant judgments and assumptions, including how control, joint control, or significant influence has been determined.
- Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks.
- Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks.
- Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks.

**Impact/Action**

The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence.

In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in.

**Transition**

Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

**Effective Date**

Periods beginning on or after 1 January 2013

**PRONOUNCEMENT****AASB 13 Fair Value Measurement****What's New**

AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:

- Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date.
- Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.

**Impact/Action**

The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place.

This standard may assist those councils that have equity investments that are no longer able to be held at cost.

**Transition**

Early adoption is permitted.

**Effective Date**

Periods beginning on or after 1 January 2013

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 (CONTINUED)****SIGNIFICANT ACCOUNTING POLICIES****PRONOUNCEMENT****AASB 127 Separate Financial Statements****What's New**

AASB 127 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements (see above). It now deals only with the preparation of separate company financial statements.

**Impact/Action**

Where separate financial statements are prepared, investments in subsidiaries, associates, and joint ventures must be accounted for either at cost, or in accordance with AASB 9 Financial Instruments.

These changes are not expected to impact significantly on Councils

**Transition**

Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

**Effective Date**

Periods beginning on or after 1 January 2013

**PRONOUNCEMENT****AASB 128 Investments in Associates and Joint Ventures****What's New**

AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements.

The standard sets out how the equity method of accounting is to be applied, defines "significant influence," and how impairment is to be tested for investments in associates or joint ventures.

**Impact/Action**

Some joint ventures which were previously accounted for under the proportionate consolidation method must now be accounted for as associates.

These changes are not expected to impact significantly on Councils

**Transition**

Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.

**Effective Date**

Periods beginning on or after 1 January 2013

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 2****RATES**

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total land and improvements value.

This valuation base was used to calculate general rates, excluding valuations for power generation companies and Australian Paper Maryvale Ltd:

The valuation base used to calculate general rates for 2012/2013 was \$9,801,839,000 (2011/2012 was \$8,880,702,000).

The applicable rates in the CIV dollar were:

	2013 \$	2012 \$
General	0.00421418	0.00431108
Farm	0.00316063	0.00323331
Recreation Land	0.00163615	0.00215554

This derived rate revenues of:

	2013 \$'000s	2012 \$'000s
Residential	31,754	29,660
Commercial/Industrial	6,253	5,785
Farm	2,627	2,629
Recreation Land	34	35
Rating Agreements/Payments in lieu of rates	8,549	8,433
Municipal Charge	4,227	4,014
Garbage Charge	8,658	7,726
EPA Victoria Landfill Levy	535	480
<b>Total Rates</b>	<b>62,637</b>	<b>58,762</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation will be first applied in the rating year commencing 1 July 2012.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation first applied to the rating year commencing 1 July 2010.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 3**  
**GRANTS**

Grants were received in respect of the following:

	2013 \$'000s	2012 \$'000s
<b>Summary of Grants</b>		
Federally funded grants	3,101	3,485
State funded grants	26,893	31,827
Others	50	74
<b>Total</b>	<b>30,044</b>	<b>35,386</b>
<b>Recurrent</b>		
Victorian Grants Commission – General Purpose	8,635	11,432
Aged and Disability	4,126	3,969
Preschools	3,361	3,282
Victorian Grants Commission – Local Roads	2,304	2,901
Healthy Communities	1,165	421
Moe Rail Precinct Revitalisation	978	-
Family and Children Programs	898	607
Employment Facilitation Programs	837	406
Libraries	490	457
Maternal and Child Health	468	418
Other Recreation Facilities	441	750
Community Support and Development Programs	367	297
Natural Disaster Recovery	346	3,197
Economic Development	216	434
Enhanced Home Visiting Program	209	183
Family Day Care	158	187
Arts Programs	145	175
Rural Access Program	104	101
School Crossing Supervision	93	98
Environment	81	14
Health Programs	66	63
City Image Strategy	45	-
Fire Service Property Levy	39	-
Traralgon Activity Centre Plan and Growth Review	-	20
Tourism and Events	-	30
Other	34	256
<b>Total Recurrent</b>	<b>25,606</b>	<b>29,698</b>
<b>Non-Recurrent</b>		
Latrobe Regional Airport	1,712	-
Commonwealth Government - Roads to Recovery Program	1,689	1,035
Federal Blackspot Program (Vic Roads)	847	309
Other Recreation Facilities	280	993
Community Support and Development Programs	117	-
Landfill	4	252
Natural Disaster Recovery	(52)	478
Moe Rail Precinct Revitalisation	(160)	-
Moe Early Learning Centre Development	-	220
Moe Activity Centre Plan Development	-	1,395
Other Infrastructure Grants	-	1,006
<b>Total Non-Recurrent</b>	<b>4,438</b>	<b>5,688</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 3 (CONTINUED)**  
**GRANTS****Conditions on Grants**

Grants & Contributions recognised as revenue during the year and were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:

	2013 \$'000s	2012 \$'000s
<b>Recurrent</b>		
Victorian Grants Commission – General Purpose	4,642	4,684
Victorian Grants Commission – Local Roads	1,211	1,184
Healthy Communities	924	308
Aged and Disability Programs	402	394
Moe Rail Revitalisation Project	397	-
Recreation	339	128
Family and Children Programs	296	576
Employment Facilitation Programs	252	127
Health and Immunisation	217	133
Community Support and Development Programs	98	90
Libraries	82	64
Economic Development	70	71
Natural Disaster Recovery	66	1,247
Environment	44	-
Fire Service Property Levy	29	-
Arts Programs	10	40
City Planning and Development	-	113
Other	6	5
<b>Total Recurrent</b>	<b>9,086</b>	<b>9,163</b>
<b>Non-Recurrent</b>		
Roads, Streets and Bridges	460	681
Other Infrastructure	30	-
Recreation	25	634
Natural Disaster Recovery	-	1,880
Moe Rail Revitalisation Project	-	507
<b>Total Non-Recurrent</b>	<b>515</b>	<b>3,702</b>
<b>Total</b>	<b>9,601</b>	<b>12,865</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 3 (CONTINUED)****GRANTS**

Grants & Contributions which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

	2013 \$'000s	2012 \$'000s
<b>Recurrent</b>		
Victorian Grants Commission – General Purpose	4,684	2,300
Victorian Grants Commission – Local Roads	1,184	571
Natural Disaster Recovery	1,207	816
Family and Children Programs	603	621
Aged and Disability Programs	404	286
Healthy Communities	308	-
Employment Facilitation Programs	170	412
Health and Immunisation	130	68
Community Support and Development Programs	99	52
Economic Development	74	103
Libraries	52	29
Arts Programs	44	53
Recreation	38	9
City Planning and Development	11	6
Other	10	36
<b>Total Recurrent</b>	<b>9,018</b>	<b>5,361</b>
<b>Non-Recurrent</b>		
Moe Rail Revitalisation Project	887	418
Natural Disaster Recovery	846	9
Roads, Streets and Bridges	681	-
Recreation	199	-
<b>Total Non-Recurrent</b>	<b>2,613</b>	<b>427</b>
<b>Total</b>	<b>11,631</b>	<b>5,788</b>
<b>Net Increase/(Decrease) in Restricted Assets Resulting from Grant Revenues for the Year</b>	<b>(2,030)</b>	<b>7,077</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 4**  
**USER CHARGES**

	2013 \$'000s	2012 \$'000s
Leisure Centres	2,865	2,759
Outdoor Pools	76	67
Child Care / Pre Schools	3,985	3,900
Aged Services	2,055	2,050
Recreation (Halls and Reserves)	339	368
Planning	529	447
Building Services	148	121
Health Services	354	378
Local Laws	960	1,061
Waste Services	2,976	885
Library Services	50	50
Debt Collections Recovery	236	153
Council Election Fines	88	-
Other Fees and Charges	98	149
<b>Total User Charges</b>	<b>14,759</b>	<b>12,388</b>

**NOTE 5**  
**OTHER INCOME**

	2013 \$'000s	2012 \$'000s
Interest on Rates	511	454
Interest on Investments	1,778	1,646
Sales – Non Capital	13	6
Valuation Fees	27	151
Commissions	47	48
Property Rentals	741	797
Insurance Reimbursements	12	118
Fundraising	12	17
Sponsorship	100	90
Local Contributions	489	445
Donations	14	79
Merchandise Sales	591	555
Other	144	138
<b>Total Other Income</b>	<b>4,479</b>	<b>4,544</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 6****DEVELOPER CASH CONTRIBUTIONS**

	2013 \$'000s	2012 \$'000s
Street Lighting	-	3
Public Open Space	79	81
Drainage Headworks	72	116
Street Trees	16	12
Future Roadworks	199	85
Development Plan	299	-
<b>Total Developer Cash Contributions</b>	<b>665</b>	<b>297</b>

**NOTE 7****DEVELOPER CONTRIBUTED ASSETS**

	2013 \$'000s	2012 \$'000s
Roads	870	759
Bridges	-	173
Drains	176	536
Footpaths	452	371
Kerb and Channel	175	121
Land	467	-
Land Under Roads	14	11
<b>Total Developer Contributed Assets</b>	<b>2,150</b>	<b>1,971</b>

**NOTE 8****EMPLOYEE COSTS**

	2013 \$'000s	2012 \$'000s
Salaries and Wages	35,969	32,897
Long Service Leave	872	2,572
Annual Leave	3,492	3,222
Superannuation	3,528	3,171
Superannuation – additional call*	-	6,975
Other OnCosts	1,308	1,137
Fringe Benefits Tax and Workcover Levy	1,394	1,124
<b>Total Employee Costs</b>	<b>46,563</b>	<b>51,098</b>

\*During the prior period (2012) Council was required to make an additional contribution to Vision Super to meet its obligations in relation to members of the defined benefit plan.



## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 9****MATERIALS AND SERVICES**

	2013 \$'000s	2012 \$'000s
Contract Payments	15,129	14,314
Plant Hire	958	1,018
Utilities	2,888	2,411
Building Maintenance	1,194	1,156
Equipment Maintenance	682	669
IT Consumables/ Communications	1,779	1,620
Family Day Care	1,323	1,524
Consultancy	1,438	2,157
Vehicle Expenses	1,280	1,336
Other Materials	7,097	6,856
<b>Total Materials and Services</b>	<b>33,768</b>	<b>33,060</b>

**NOTE 10****BAD AND DOUBTFUL DEBTS**

	2013 \$'000s	2012 \$'000s
Other Debtors	4	31
<b>Total Bad and Doubtful Debts</b>	<b>4</b>	<b>31</b>

**NOTE 11****DEPRECIATION AND AMORTISATION EXPENSES**

	2013 \$'000s	2012 \$'000s
Building and Improvements	3,668	3,527
Furniture and Equipment	691	691
Intangible Assets	87	60
Playground Improvements	70	62
Plant and Equipment	1,601	1,572
Roads, Streets and Bridges	9,712	9,510
Drainage Works	1,332	1,326
Landfill Improvements	2,842	1,778
<b>Total Depreciation Expenses</b>	<b>20,004</b>	<b>18,526</b>

**NOTE 12****FINANCE COSTS**

	2013 \$'000s	2012 \$'000s
Interest on Borrowings	1,086	1,226
<b>Total Finance Costs</b>	<b>1,086</b>	<b>1,226</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 13****OTHER EXPENDITURE**

	2013 \$'000s	2012 \$'000s
Auditors Remuneration	77	86
Councillors Allowances	264	262
Operating Lease Rentals	163	170
Grants & Contributions	1,162	1,102
Levies	1,125	470
Advertising & Promotion	562	639
Insurances	811	653
<b>Total Other Expenditure</b>	<b>4,164</b>	<b>3,382</b>

**NOTE 14****CASH AND CASH EQUIVALENTS**

	2013 \$'000s	2012 \$'000s
Cash on Hand	19	19
Cash at Bank	6,334	629
Money Market at call accounts	-	7,075
Short Term Deposits	21,310	20,000
<b>Total Cash and Cash Equivalents</b>	<b>27,663</b>	<b>27,723</b>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Trust funds and deposits (Note 25)	2,043	1,520
Reserve funds allocated for specific future purposes	2,453	1,898
Unexpended Grants (Note 3)	12,329	14,359
<b>Restricted Funds (Note 19)</b>	<b>16,825</b>	<b>17,777</b>
<b>Total Unrestricted Cash and Cash Equivalents</b>	<b>10,838</b>	<b>9,946</b>

**NOTE 15****PREPAYMENTS**

	2013 \$'000s	2012 \$'000s
Registrations	112	102
Software Maintenance and Support	59	212
Memberships and Subscriptions	19	24
Other	17	16
<b>Total Prepayments</b>	<b>207</b>	<b>354</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 16****TRADE AND OTHER RECEIVABLES**

	2013 \$'000s	2012 \$'000s
<b>Current</b>		
Child Care	112	92
Family Day Care	53	60
Home Care / Maintenance / Meals on Wheels	214	285
Rates *	2,172	1,989
Government Grants and Subsidies	1,104	1,965
Accrued Interest	288	282
Staff Advances	9	9
Pre Schools	20	11
Health Registrations	-	-
Advances to Community Groups/ Vendor Term Loans	24	25
Pension Claim	365	706
Latrobe Regional Airport Projects	44	40
Landfill	466	253
Other	727	1,219
Net GST Receivable	748	489
Provision for Doubtful Debts	(53)	(66)
<b>Total Current</b>	<b>6,293</b>	<b>7,359</b>
<i>* Rates are payable by four instalments during the year or by lump sum in February. Arrears attract interest, currently at the rate of 10.5% per annum.</i>		
<b>Non-Current</b>		
Advances to Community Group/ Vendor Term Loans	26	46
<b>Total Non-Current</b>	<b>26</b>	<b>46</b>
<b>Total Trade and Other Receivables</b>	<b>6,319</b>	<b>7,405</b>

**NOTE 17****FINANCIAL ASSETS**

	2013 \$'000s	2012 \$'000s
<b>Current</b>		
Variable Coupon Bond investments	-	2,500
Floating Rate Note investments	-	500
Term Deposits with a maturity term > 90 Days	19,500	11,310
<b>Total Current</b>	<b>19,500</b>	<b>14,310</b>
<b>Non-Current</b>		
MAPS Group Ltd. Shares	2	2
<b>Total Non-Current</b>	<b>2</b>	<b>2</b>
<b>Total Financial Assets</b>	<b>19,502</b>	<b>14,312</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 18***(a) NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE*

	Carrying Amount 30/06/2012	WDV T'fer Assets Held For Sale	WDV Disposals	Carrying Amount 30/06/2013
ASSET CLASS	\$'000s	\$'000s	\$'000s	\$'000s
Land	190	(190)	-	-
Building and Improvements	553	(553)	-	-
<b>Total Fixed Assets</b>	<b>743</b>	<b>(743)</b>	-	-

*(b) GAIN/(LOSS) ON DISPOSAL OF ASSETS HELD FOR SALE*

	Land \$'000s	Properties \$'000s	Total 2013 \$'000s	Total 2012 \$'000s
Proceeds of Sale	-	-	-	170
Book Vale	-	-	-	135
<b>Gain/(Loss) on Sales</b>	-	-	-	<b>35</b>

**NOTE 19***RESTRICTED ASSETS***Cash**

Council has cash and cash equivalents (Note 14) that are subject to restrictions as at the reporting date. Council has legislative restrictions in relation to non discretionary reserve and grant funds, together with cash held for trust funds and deposits

	2013 \$'000s	2012 \$'000s
<b>Restricted Cash Assets</b>		
Street Lighting Reserve (1)	13	13
Off Street Parking Contributions (1)	230	230
Drainage Contributions (1)	732	736
Playground/ Public Open Space Contributions(1)	384	304
Tree Planting Contributions (1)	218	237
Future Roadwork (1)	578	378
Development Contribution Plan (1)	298	-
Trust Funds and Deposits (Note 25)	2,043	1,520
Unexpended Grants & Contributions (Note 3)	12,329	14,359
<b>Total Restricted Cash Assets</b>	<b>16,825</b>	<b>17,777</b>

(1) Funds required to be spent on projects for which contributions have been received.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 20****PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

	2013 \$'000s	2012 \$'000s
<b>Summary</b>		
Property, Plant and Equipment		
At fair value	1,241,847	1,101,911
At Cost	75,122	81,907
Less Accumulated Depreciation	(287,281)	(252,420)
<b>Total Property, Plant and Equipment</b>	<b>1,029,689</b>	<b>931,399</b>
Land (1)		
• at independent valuation 2013 (2010)	201,546	168,506
• at cost	-	686
<b>Total Land</b>	<b>201,546</b>	<b>169,192</b>
Buildings and Improvements (1)		
• at independent valuation 2013 (2010)	178,844	157,054
• at cost	-	26,197
	178,844	183,251
Less Accumulated Depreciation	-	(6,693)
<b>Total Buildings and Improvements</b>	<b>178,844</b>	<b>176,558</b>
Furniture and Equipment (3)		
• at cost	6,020	5,327
Less Accumulated Depreciation	(4,143)	(3,454)
<b>Total Furniture and Equipment</b>	<b>1,877</b>	<b>1,874</b>
Plant and Equipment (3)		
• at cost	12,333	10,884
Less Accumulated Depreciation	(4,837)	(4,449)
<b>Total Plant and Equipment</b>	<b>7,496</b>	<b>6,435</b>
Drainage Works (2)		
• at Council valuation 2013 (2010)	152,177	134,910
• at cost	-	1,920
	152,177	136,830
Less Accumulated Depreciation	(60,188)	(52,893)
<b>Total Drainage Works</b>	<b>91,989</b>	<b>83,937</b>
Land Under Roads (6)		
• at Council valuation 2012	17,104	17,090
<b>Total Land Under Roads</b>	<b>17,104</b>	<b>17,090</b>
Roads, Streets and Bridges (2)		
• at Council valuation 2013 (2010)	708,413	601,318
• at cost	-	25,964
	708,375	627,283
Less Accumulated Depreciation	(207,413)	(177,221)
<b>Total Roads, Streets and Bridges</b>	<b>500,962</b>	<b>450,062</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 20 (CONTINUED)****PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

	2013 \$'000s	2012 \$'000s
Landfill Improvements (5)		
• at Council valuation 2012	20,785	18,751
Less Accumulated Amortisation	(9,700)	(6,858)
<b>Total Landfill Improvements</b>	<b>11,086</b>	<b>11,893</b>
Playground Improvements (2)		
• at Council valuation 2013 (2010)	1,963	1,386
• at cost	-	212
Less Accumulated Depreciation	(999)	(852)
<b>Total Playground Improvements</b>	<b>964</b>	<b>746</b>
Art Collection (4)		
• at Council valuation 2011	2,896	2,896
• at cost	37	12
<b>Total Art Collection</b>	<b>2,933</b>	<b>2,909</b>
Works in Progress – at cost		
• Furniture and Equipment	517	34
• Buildings and Improvements	6,667	4,610
• Roads, Streets and Bridges	4,432	1,949
• Playgrounds	222	30
• Landfill Improvements	3,052	4,081
<b>Total Works in Progress</b>	<b>14,889</b>	<b>10,704</b>
<b>Total Property, Plant and Equipment</b>	<b>1,029,689</b>	<b>931,399</b>

- (1) Land (excluding land under roads) has been stated at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Buildings and Improvements have been stated at fair value on the basis of written down replacement cost as at 30 June 2013. Valuations were carried out by:
- CIA Lee Property – Valuers and Consultants (Registration number: 61902)
- (2) Roads, Streets and Bridges, Playground improvements and Drainage assets have been valued on the basis of written down replacement cost, using the Greenfield approach, by Council's Engineering staff. The majority of the assets have been valued as at 30 June 2010 with additions since that time being added at valuation. As at the 30 June 2013 an indexation factor of 11% has been applied to the 2010 valuations, 7.5% to 2011 additions and 3.5% to 2012 additions. These indexation values have been calculated by Council's Infrastructure Planning staff with reference to the Construction Index (Rawlinsons Australian Construction Handbook 2012 Edition, Melbourne).
- (3) Plant and Equipment and furniture and equipment have been stated at cost.
- (4) Art collection has been valued at market value by an independent art valuer as at 30 June 2011. Valuations were carried out by:
- Guy Abrahams – Approved Valuer, Australian Government Cultural Gifts Program
  - Lesley Kehoe Galleries
- (5) Landfill Improvements has been valued at the expected whole of life cost for required improvement works by council's Coordinator Landfill Services.
- (6) Land under roads is valued at fair value. Fair value is based on Council valuations at 1 January 2012 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. The valuation has been undertaken by council's finance and infrastructure staff

## NOTES TO THE FINANCIAL STATEMENTS

NOTE 20 (CONTINUED)  
(a) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

2013

ASSET CLASS	Carrying Amount 30/06/2012 \$'000s	WDV T'fer Assets Held for Sale (Note 18) \$'000s	Recognition of Previously Unrecognised Assets*	Additions 2012/2013 \$'000s	WDV Disposals Note 20(b) \$'000s	Depreciation Expenses (Note 11) \$'000s	Revaluation Increment/ (Decrement) \$'000s	Carrying Amount 30/06/2013 \$'000s
Land	169,192	190	554	519	-	-	31,091	201,546
Buildings and Improvements	176,558	553	(370)	1,791	-	(3,668)	3,980	178,844
Furniture and Equipment	1,874	-	-	704	(10)	(691)	-	1,877
Plant and Equipment	6,436	-	324	3,178	(841)	(1,601)	-	7,495
Drainage Works	83,937	-	-	292	-	(1,332)	9,092	91,989
Land Under Roads	17,090	-	-	14	-	-	-	17,104
Roads, Streets and Bridges	450,062	-	(101)	13,419	-	(9,712)	47,295	500,963
Landfill Improvements	11,893	-	-	2,035	-	(2,842)	-	11,086
Playground Improvements	746	-	-	231	(5)	(70)	63	964
Art Collection	2,908	-	-	24	-	-	-	2,933
Works in Progress	10,704	-	-	4,185	-	-	-	14,889
<b>Total Property, Infrastructure, Plant and Equipment</b>	<b>931,400</b>	<b>743</b>	<b>407</b>	<b>26,392</b>	<b>(856)</b>	<b>(19,916)</b>	<b>91,521</b>	<b>1,029,689</b>

\*During the year, as part of a continuous improvement focus, information flowing from officers in the field now conveys more accurate data to Asset Managers, together with Council's revaluation procedures, identified variances. These variances resulted in assets being recognised and derecognised in the Council's asset register during the year. As the amounts are not considered material, in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, these variances have not been retrospectively adjusted.

## NOTES TO THE FINANCIAL STATEMENTS

NOTE 20 (CONTINUED)  
(a) PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

ASSET CLASS	Carrying Amount 30/06/2011 \$'000s	WDV Transfer Assets Held for Sale \$'000s	Additions 2011/2012 \$'000s	WDV Disposals (Note 20(b)) \$'000s	Depreciation Expenses (Note 11) \$'000s	Revaluation Increment/ (Decrement) \$'000s	Carrying Amount 30/06/2012 \$'000s
Land	169,019	(75)	248	-	-	-	169,192
Buildings and Improvements	170,483	(80)	9,744	-	(3,528)	(61)	176,558
Furniture and Equipment	1,881	-	683	-	(691)	-	1,874
Plant and Equipment	6,645	-	1,894	(531)	(1,572)	-	6,436
Drainage Works	84,593	-	670	-	(1,326)	-	83,937
Land Under Roads	14,450	-	11	-	-	2,629	17,090
Roads, Streets and Bridges	445,450	-	14,122	-	(9,510)	-	450,062
Landfill Improvements	13,166	-	505	-	(1,778)	-	11,893
Playground Improvements	692	-	116	-	(62)	-	746
Art Collection	2,896	-	12	-	-	-	2,908
Works in Progress	13,502	-	(2,798)	-	-	-	10,704
<b>Total Property, Infrastructure, Plant and Equipment</b>	<b>922,776</b>	<b>(155)</b>	<b>25,207</b>	<b>(531)</b>	<b>(18,467)</b>	<b>2,568</b>	<b>931,400</b>



## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 20 (CONTINUED)****(b) NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

Details of fixed asset sales during the year were as follows:

	Playgrounds	Plant	Furniture and Equipment	Total 2013	Total 2012
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Proceeds of Sales	-	825	3	828	693
Sales Expenses	-	-	-	-	-
Net Proceeds	-	825	3	828	693
Book Values	(5)	(841)	(10)	(856)	(531)
<b>Gain/(Loss) on Disposals</b>	<b>(5)</b>	<b>(16)</b>	<b>(7)</b>	<b>(28)</b>	<b>162</b>

**NOTE 21****INTANGIBLE ASSETS**

	Software \$'000s
<b>Gross Carrying Amount</b>	
Balance at 1 July 2011	468
Additions 2011/2012	319
Balance at 30 June 2012	788
Additions 2012/2013	44
<b>Balance at 30 June 2013</b>	<b>832</b>
<b>Accumulated Amortisation and Impairment</b>	
Balance at 1 July 2011	(423)
Amortisation Expense 2011/2012	(60)
Balance at 30 June 2012	(483)
Amortisation Expense 2012/2013	(87)
<b>Balance at 30 June 2013</b>	<b>(571)</b>
<b>Net Book Value at 30 June 2012</b>	<b>304</b>
<b>Net Book Value at 30 June 2013</b>	<b>261</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 22****TRADE AND OTHER PAYABLES**

	2013 \$'000s	2012 \$'000s
<b>Current</b>		
Payables	14,927	6,340
Accrued Salaries and Wages	1,766	1,631
Accrued Loan Interest	2	3
<b>Total Current</b>	<b>16,695</b>	<b>7,974</b>
<b>Non-Current</b>		
Payables	-	6,975
<b>Total Non-Current</b>	<b>-</b>	<b>6,975</b>
<b>Total Trade and Other Payables</b>	<b>16,695</b>	<b>14,949</b>

**NOTE 23****INTEREST-BEARING LIABILITIES**

	2013 \$'000s	2012 \$'000s
<b>Current</b>		
Borrowings – Secured	2,959	3,151
	<b>2,959</b>	<b>3,151</b>
<b>Non-Current</b>		
Borrowings – Secured	11,427	13,386
	<b>11,427</b>	<b>13,386</b>
<b>Total Interest-Bearing Liabilities</b>	<b>14,386</b>	<b>16,536</b>

All borrowings are secured over Council's Rate Revenue.

The maturity profile for Council's borrowing is:

Within 12 months	2,959	3,151
Later than 1 year but not later than 5 years	8,711	9,466
After 5 years	2,716	3,919
	<b>14,386</b>	<b>16,536</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 24**  
**PROVISIONS****2013**

	Annual Leave (a)	Long Service Leave (a)	Landfill Improvements (b)	Total
	\$'000s	\$'000s	\$'000s	\$'000s
Balance at beginning of the financial year	3,563	7,896	16,589	<b>28,048</b>
Additional provisions	3,504	1,463	193	<b>5,160</b>
Amounts Used	(3,360)	(632)	(367)	<b>(4,359)</b>
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(563)	-	<b>(563)</b>
<b>Balance at the end of the financial year</b>	<b>3,707</b>	<b>8,164</b>	<b>16,415</b>	<b>28,286</b>

**2012**

	Annual Leave (a)	Long Service Leave (a)	Landfill Improvements (b)	Total
	\$'000s	\$'000s	\$'000s	\$'000s
Balance at beginning of the financial year	3,318	5,810	16,572	<b>25,700</b>
Additional provisions	3,249	1,269	820	<b>5,338</b>
Amounts Used	(3,004)	(570)	(1,308)	<b>(4,882)</b>
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	1,387	505	<b>1,892</b>
<b>Balance at the end of the financial year</b>	<b>3,563</b>	<b>7,896</b>	<b>16,589</b>	<b>28,048</b>

**(a) Employee Provisions**

	2013 \$'000s	2012 \$'000s
<b>Current (i)</b>		
Annual Leave	3,707	3,563
Long Service Leave	6,758	6,488
	<b>10,465</b>	<b>10,051</b>
<b>Non-Current (ii)</b>		
Long Service Leave	1,406	1,408
	<b>1,406</b>	<b>1,408</b>
<b>Aggregate carrying amount of employee benefits</b>		
Current	10,465	10,051
Non-Current	1,406	1,408
	<b>11,871</b>	<b>11,459</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 24 (CONTINUED)**  
**PROVISIONS**

The following assumptions were adopted in measuring the present value of employee benefits

Weighted average increase in employee costs	4.50%	4.31%
Weighted average discount rates	3.24%	3.01%
Weighted average settlement period	12	12

**(i) Current**

All annual leave and long service leave entitlements representing 7 or more years of continuous service

Short-term employee benefits that fall due within 12 months after the end of the period measured at nominal value	4,307	4,163
Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	6,158	5,888
	<b>10,465</b>	<b>10,051</b>

**(ii) Non-Current**

Long Service Leave representing less than 7 years of continuous service measured at present value	1,406	1,408
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**(b) Landfill Improvements**

	2013	2012
	\$'000s	\$'000s
Current – Landfill Improvements	2,027	2,008
Non-Current – Landfill Improvements	14,388	14,581
<b>Provision at the end of the reporting period</b>	<b>16,415</b>	<b>16,589</b>

**NOTE 25****TRUST FUNDS AND DEPOSITS**

	2013	2012
	\$'000s	\$'000s
Contracts and Sundry Deposits	2,043	1,520
<b>Total Trust Funds and Deposits</b>	<b>2,043</b>	<b>1,520</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 26**  
**RESERVES****(a) Asset Revaluation Reserve**

	Balance at beginning of reporting period		Increment/ (decrement)		Balance at end of reporting period	
	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s
Land	128,963	128,963	31,091	-	160,054	128,963
Buildings and Improvements	85,567	85,628	3,980	(61)	89,547	85,567
Land Under Roads	6,319	3,690	-	2,629	6,319	6,319
Plant and Equipment	14	14	-	-	14	14
Roads, Streets and Bridges	48,990	48,990	47,295	-	96,285	48,990
Drainage	37,152	37,152	9,092	-	46,244	37,152
Playgrounds	-	-	63	-	63	-
Artworks	727	727	-	-	727	727
<b>Total</b>	<b>307,732</b>	<b>305,164</b>	<b>91,521</b>	<b>2,568</b>	<b>399,253</b>	<b>307,732</b>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

**(b) Other Reserves**

	2013 \$'000s	2012 \$'000s
<b>Developer Contributions</b>		
Balance at beginning of reporting period	1,898	1,604
Transfer from accumulated surplus	(110)	(3)
Transfer to accumulated surplus	665	297
Balance at end of reporting period	<b>2,453</b>	<b>1,898</b>
<b>Total Reserves</b>	<b>401,706</b>	<b>309,630</b>

The development contribution reserve is maintained to account for funds held by the Council for specific development purposes. Such purposes include off street parking, drainage, playgrounds and public open spaces and tree planting development.

**NOTE 27**  
**CONTINGENT LIABILITIES AND CONTINGENT ASSETS****Contingent Liabilities**

Council has been served with an unquantified claim under the Water Act 1989 in relation to the Morwell Land Movement. Council will be defending this claim in the Victorian Civil and Administrative Tribunal and the Supreme Court in the 2013-2014 financial year and as this matter is yet to be finalised, and as the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Council has varying obligations for the rehabilitation of five former landfill sites, estimated costs associated with undertaking these works have been included in the balance sheet provisions, however there is still some uncertainty around the Environmental Protection Agency (EPA) requirements, which could lead to additional costs that cannot currently be reliably measured.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 27 (CONTINUED)**

## Contingent Assets

Construction of infrastructure assets by developers in the course of creating new subdivisions results in the infrastructure assets being vested in Council when Council issues a Statement of Compliance. These assets are brought to account as revenue and capitalised.

At reporting date, developers had commenced construction of assets that will eventually be transferred to Council contingent upon Council issuing a Statement of Compliance.

Due to the nature of the arrangements in place and the assets involved, a contingent asset cannot be reliably measured prior to completion.

**NOTE 28****COMMITMENTS**

At the reporting date, the council had entered into the following commitments:

**2013**

	Not Later than 1 Year	Later than 1 Year and Not Later than 2 Years	Later than 2 Years and Not Later Than 5 Years	Later than 5 Years	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Operating</b>					
Garbage Collection	2,815	2,899	9,231	1,632	16,577
Street Sweeping	343	353	182	-	877
Meals on Wheels	315	190	-	-	505
Public Convenience Cleaning	168	-	-	-	168
Website and Intranet Development	47	-	-	-	47
Green Waste Acceptance and Processing	770	793	1,658	-	3,221
Transfer Station Operations	906	934	2,972	-	4,812
Materials Recovery Facility - Recycling	49	50	159	-	258
Emergency Management	56	-	-	-	56
	<b>5,469</b>	<b>5,2180</b>	<b>14,202</b>	<b>1,632</b>	<b>26,521</b>
<b>Capital Construction</b>					
Roads, Streets and Bridges	2,334	-	-	-	2,334
Recreation	2,208	-	-	-	2,208
Latrobe Regional Airport	259	-	-	-	259
Buildings and Improvements	226	-	-	-	226
Telecommunications Solution Replacement	174	-	-	-	174
	<b>5,201</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,201</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 28 (CONTINUED)****COMMITMENTS****2012**

	Not Later than 1 Year	Later than 1 Year and Not Later than 2 Years	Later than 2 Years and Not Later Than 5 Years	Later than 5 Years	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Operating</b>					
Garbage Collection	2,652	2,732	8,696	4,658	18,738
Litter Collection	400	103	-	-	503
Street Sweeping	334	344	537	-	1,215
Meals on Wheels	207	-	-	-	207
Public Convenience Cleaning	164	-	-	-	164
E-Recruitment Management System	26	26	26	-	79
Cleaning Contracts for Council Buildings	567	-	-	-	567
Recreation	96	-	-	-	96
Traralgon Growth Area Review and Activity Centre Plan	64	-	-	-	64
Website and Intranet Development	44	-	-	-	44
Green Waste Acceptance and Processing	755	778	2,476	-	4,008
Transfer Station Operations	906	934	2,972	1,051	5,863
Materials Recovery Facility - Recycling	53	55	174	61	343
	<b>6,268</b>	<b>4,971</b>	<b>14,881</b>	<b>5,770</b>	<b>31,890</b>
<b>Capital Construction</b>					
Landfill Improvements	325	149	34	-	508
Roads, Streets and Bridges	2,825	-	-	-	2,825
Moe Rest Station	333	-	-	-	333
Aircraft Production Hanger	1,243	-	-	-	1,243
	<b>4,725</b>	<b>149</b>	<b>34</b>	<b>-</b>	<b>4,909</b>

**NOTE 29****OPERATING LEASES**

At the reporting date, the municipality had the following obligations under non-cancellable operating leases. (These obligations are not recognised as liabilities):

	2013 \$'000s	2012 \$'000s
Not Later than one year	80	108
Later than one year and not later than five years	370	356
Later than five years	1,210	1,285
	<b>1,660</b>	<b>1,749</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 30****EVENTS OCCURRING AFTER BALANCE DATE**

No matters have occurred after balance date that requires disclosure in the financial report.

**NOTE 31****SUPERANNUATION**

Latrobe City Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Latrobe City Council and the Latrobe City Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are due.

**Accumulation**

The Fund's accumulation category, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2013, this was 9% required under Superannuation Guarantee legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2013, the Superannuation Guarantee contribution rate will increase to 9.25%, and will progressively increase to 12% by 2019.

**Defined Benefit**

The Fund's Defined Benefit category is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated to each employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32(b) of AASB 119, Latrobe City Council does not use defined benefit accounting for these defined benefit obligations.

Latrobe City Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Latrobe City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of members' salaries (9.25% in 2011/12).

In addition, Latrobe City Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Latrobe City Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.



**NOTE 31 (CONTINUED)**  
**SUPERANNUATION****Shortfall Amounts**

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Latrobe City Council is a contributing employer. Latrobe City Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012.

Latrobe City Council has not been advised of any further adjustments.

The projected value of Latrobe City Council's contribution to the shortfall at 30 June 2012 (excluding contributions tax) amounted to \$5.928 million which was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Costs (Note 8) and in the Balance Sheet in Current Liabilities Trade and Other Payables (Note 22).

No further amount has been accounted for in the 2012/13 Comprehensive Operating Statement within Employee Costs (Note 8) and in the Balance Sheet in Trade and Other Payables (Note 22).

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the Latrobe City Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

The amount of the unpaid shortfall at 30 June 2013 is \$5.928 million plus contributions tax (\$5.928 million plus contributions tax for 2011/12). This unpaid amount is included in the Balance Sheet in Current Liabilities Trade and Other Payables (Note 22).

**Retrenchment Increments**

During 2012-13, Latrobe City Council was not required to make payments to the Fund in respect of retrenchment increments (Nil in 2011/12).

**Accrued Benefits**

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	<b>31-Dec-2011</b>
	<b>\$'000s</b>
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 31 (CONTINUED)**  
**SUPERANNUATION****Superannuation Contributions**

Contributions by Latrobe City Council to the above superannuation plans for the financial year ended 30 June 2013 are detailed below:

	2013 \$'000s	2012 \$'000s
<b>Defined Benefit Plans</b>		
Employer contributions paid to Local Authorities Superannuation Fund (Vision Super)	476	475
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	6,975
	<b>476</b>	<b>7,450</b>
<b>Accumulation Funds</b>		
Employer contributions paid to Accumulation Funds	2,645	2,334
Employer contributions payable to Accumulation Funds at reporting date	407	363
	<b>3,052</b>	<b>2,697</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 32****RELATED PARTY TRANSACTIONS****(i) Responsible Persons**

Names of persons holding the position of Responsible Person at the Latrobe City Council during the reporting period are:

		From	To	
<b>Councillors:</b>	Lisa Price	01/07/12	29/10/12	
	Bruce Lougheed	01/07/12	29/10/12	
	Ed Vermeulen	01/07/12	29/10/12	
	Darrell White	01/07/12	30/06/13	
	Graeme Middlemiss	01/07/12	30/06/13	
	Sandy Kam	01/07/12	30/06/13	
	Kellie O'Callaghan	01/07/12	30/06/13	
	Sharon Gibson	01/07/12	30/06/13	
	Dale Harriman	01/07/12	30/06/13	
	Michael Rossiter	31/10/12	30/06/13	
	Christine Sindt	31/10/12	30/06/13	
	Peter Gibbons	31/10/12	30/06/13	
	<b>Chief Executive Officer:</b>	Paul Buckley	01/07/12	30/06/13

**(ii) Remuneration of Responsible Persons**

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands;

	2013 No.	2012 No.
<b>Income Range</b>		
<\$20,000	5	2
\$20,000 - \$29,999	5	6
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	-	2
\$50,000 - \$59,999	1	-
\$290,000 - \$299,999	-	1
\$300,000 - \$309,999	1	-
<b>Total</b>	<b>13</b>	<b>11</b>

Total Remuneration for the reporting period for Responsible Persons included above, amounted to:

	2013 \$'000s	2012 \$'000s
Total Remuneration for Responsible Persons	571	538

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 32 (CONTINUED)**  
**RELATED PARTY TRANSACTIONS****(iii) Senior Officers Remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$130,000 (2011/12 \$127,000).

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2013 No.	2012 No.
<b>Income Range</b>		
<\$130,000	-	4
\$130,000 - \$139,999	10	6
\$140,000 - \$149,999	3	-
\$190,000 - \$199,999	-	4
\$200,000 - \$209,999	3	2
\$210,000 - \$219,999	2	-
<b>Total</b>	<b>18</b>	<b>16</b>

Total remuneration for the reporting period for senior officers included above, amounted to:

	2013 \$'000s	2012 \$'000s
Total Remuneration for Senior Officers	2,807	2,517

**(iv)**

No Retirement benefits have been paid by the Council in connection with the retirement of Responsible Persons of the Council. (2011/12: \$Nil)

**(v)**

No Loans have been made, guaranteed or secured by the Council to a Responsible Person of the Council during the reporting period. (2011/12: \$Nil)

**(vi) Other Transactions**

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons (2011/12, \$Nil). All transactions entered into with Related Parties of such Responsible Persons occurred under normal customer conditions no more favourable than those available in similar arm's length transactions.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 33****NOTES TO THE CASH FLOW STATEMENT**

	Inflows/ (Outflows)	Inflows/ (Outflows)
	2013	2012
	\$'000s	\$'000s
<b>Reconciliation of cash flows from operating activities to profit</b>		
<b>Surplus for the Period</b>	9,523	6,222
Depreciation and Amortisation	20,004	18,526
Finance Costs	1,086	1,226
Loss on Sale of Property, Plant and Equipment	28	(196)
Recognition of Previously Unrecognised Assets	(407)	-
Developer Contributions for Contributed Assets	(2,150)	(1,971)
<b>Changes in Assets and Liabilities:</b>		
(Increase)/decrease in Trade and Other Receivables	1,086	2,928
Increase/(decrease) in Trade and Other Payables	1,747	(674)
(Increase)/decrease in Prepayments	147	619
Increase/(decrease) in Provisions	237	8,818
Increase/(decrease) in Contract and Security Deposits	523	(19)
<b>Net Cash provided by Operating Activities</b>	<b>31,824</b>	<b>35,479</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 34****FINANCIAL INSTRUMENTS****(a) Accounting Policy, Terms and Conditions**

Recognised Financial Instrument	Note	Accounting Policy	Terms and Conditions
<b>Financial Assets</b>			
Cash and Cash Equivalents	14	Cash on hand and at bank and money market call account are valued at face value.  Interest is recognised as it accrues.  -Investments and Bills were valued at cost -Investments are held to maximise interest returns of surplus cash. -Interest revenues are recognised as they accrue.	Cash at Bank and At call deposits returned a floating interest rate of 3.04% (3.37% in 2011/2012). The interest rate at balance date was 2.69% (3.37% in 2011/2012). Funds returned fixed interest rates of between 4.15% (3.40% in 2011/2012), and 6.05% (6.87% in 2011/2012) net of fees.
Trade and Other Receivables	16	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.	General debtors are unsecured and arrears attract an interest rate of 10.5% (10.5% in 2011/2012). Credit terms are based on 30 days.
Financial Assets – Held to maturity	17	Variable coupon bonds and floating rate notes are measured at amortised cost using the effective interest method, less any impairment losses. -Investments and Bills were valued at amortised cost using the effective interest method. -Investments are held to maximise interest returns of surplus cash. -Interest revenues are recognised as they accrue.	Variable coupon bond of \$2.5 million matured on 31 October 2012. The floating rate note of \$0.5 million matured on 14 December 2012. Funds returned fixed interest rates of between 4.20% (5.45% in 2011/2012), and 4.70% (6.05% in 2011/2012) net of fees.
<b>Financial Liabilities</b>			
Trade and Other Payables	22	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest Bearing Liabilities	23	-Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. -Interest is accrued over the period it becomes due and is recognised as part of payables	Borrowings are secured by way of mortgage over the general rates of the Council.  The weighted average interest rate on borrowings is 7.11% during 2012/2013 (7.15% in 2011/2012)
Bank Overdraft		Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. Council has a \$1M overdraft facility. It is secured by a mortgage over Council's general rates and is repayable on demand.  No overdraft was utilised during 2012/2013 or 2011/2012.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 34 (CONTINUED)**  
**FINANCIAL INSTRUMENTS****(b) Interest Rate Risk**

The exposure to interest rate risk and the effective interest rate of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

**2013**

	Floating Interest Rate	1 Year or Less	Over 1 to 5 Years	More than 5 Years	Non-Interest Bearing	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Financial Assets</b>						
Cash and Cash Equivalents	6,334	21,310	-	-	19	27,663
Financial Assets	-	19,500	-	-	-	19,500
Trade and Other Receivable	-	-	-	-	3,416	3,416
<b>Total Financial Assets</b>	<b>6,334</b>	<b>40,810</b>	<b>-</b>	<b>-</b>	<b>3,435</b>	<b>50,579</b>
Weighted Average Interest Rates	3.04%	4.32%	-	-	-	-
<b>Financial Liabilities</b>						
Trade and Other Payables	-	-	-	-	16,695	16,695
Trust Funds and Deposits	-	-	-	-	2,043	2,043
Interest-Bearing Liabilities	-	2,959	8,710	2,717	-	14,386
<b>Total Financial Liabilities</b>	<b>-</b>	<b>2,959</b>	<b>8,710</b>	<b>2,717</b>	<b>18,738</b>	<b>33,124</b>
Weighted Average Interest Rates	-	6.89%	7.30%	6.76%	-	-
<b>Net Financial Assets (Liabilities)</b>	<b>6,334</b>	<b>37,851</b>	<b>(8,710)</b>	<b>(2,717)</b>	<b>(15,303)</b>	<b>17,455</b>

**2012**

	Floating Interest Rate	1 Year or Less	Over 1 to 5 Years	More than 5 Years	Non-Interest Bearing	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Financial Assets</b>						
Cash and Cash Equivalents	629	27,075	-	-	19	27,723
Financial Assets	-	14,310	-	-	-	14,310
Trade and Other Receivable	-	-	-	-	4,928	4,928
<b>Total Financial Assets</b>	<b>629</b>	<b>41,385</b>	<b>-</b>	<b>-</b>	<b>4,947</b>	<b>46,961</b>
Weighted Average Interest Rates	3.05%	5.12%	-	-	-	-
<b>Financial Liabilities</b>						
Trade and Other Payables	-	-	-	-	14,949	14,949
Trust Funds and Deposits	-	-	-	-	1,520	1,520
Interest-Bearing Liabilities	-	3,151	9,466	3,919	-	16,536
<b>Total Financial Liabilities</b>	<b>-</b>	<b>3,151</b>	<b>9,466</b>	<b>3,919</b>	<b>16,469</b>	<b>33,005</b>
Weighted Average Interest Rates	-	6.74%	7.19%	7.40%	-	-
<b>Net Financial Assets (Liabilities)</b>	<b>629</b>	<b>38,234</b>	<b>(9,466)</b>	<b>(3,919)</b>	<b>(11,522)</b>	<b>13,956</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 34 (CONTINUED)**  
**FINANCIAL INSTRUMENTS****(c) Net Fair Value**

The aggregate net fair value of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

	Total Carrying Amount as per Balance Sheet		Aggregate Net Fair Value	
	2013 \$'000s	2012 \$'000s	2013 \$'000s	2012 \$'000s
<b>Financial Assets</b>				
Cash and Cash Equivalents	27,663	27,723	27,663	27,723
Financial Assets	19,500	14,310	19,500	14,310
Trade and Other Receivable	3,416	4,928	3,416	4,928
<b>Total Financial Assets</b>	<b>50,579</b>	<b>46,961</b>	<b>50,579</b>	<b>46,961</b>
<b>Financial Liabilities</b>				
Trade and Other Payables	16,695	14,949	16,695	14,949
Trust Funds and Deposits	2,043	1,520	2,043	1,520
Interest-Bearing Liabilities	14,386	16,536	14,386	16,536
<b>Total Financial Liabilities</b>	<b>33,124</b>	<b>33,005</b>	<b>33,124</b>	<b>33,005</b>

**(d) Risk and Mitigation**

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

**Interest Rate Risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. We manage interest rate risk on our net debt portfolio by:

- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- adequate safety,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.



## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 34 (CONTINUED)**  
**FINANCIAL INSTRUMENTS****Credit Risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which has a recognised credit rating specified in our investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 27.

**Movement in Provision for Doubtful Debts**

	2013 \$'000s	2012 \$'000s
Balance at the beginning of the year	66	70
New Provisions recognised during the year	23	57
Amounts already provided for and written off as uncollectible	(15)	(33)
Amounts provided for but recovered during the year	(21)	(28)
<b>Balance at the end of the year</b>	<b>53</b>	<b>66</b>

**Ageing of Trade and Other Receivables**

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Councils' Trade and Other Receivables at reporting date was:

	2013 \$'000s	2012 \$'000s
Current (not yet overdue)	2,314	3,206
Past due by up to 30 days	616	1,393
Past due between 31 and 60 days	100	143
Past due between 61 and 90 days	28	58
Past due by more than 90 days	358	128
	<b>3,416</b>	<b>4,928</b>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 34 (CONTINUED)**  
**FINANCIAL INSTRUMENTS****Liquidity risk**

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover financial assets at all.

To help reduce these risks we:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Council's Financial Liabilities.

These amounts undiscounted gross payments including both principal and interest amounts.

**2013**

	6 Months or Less	6-12 Months	1-2 Years	2-5 Years	>5 Years	Total Amount	Carrying Amount
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Trade and Other Payables	16,695	-	-	-	-	16,695	16,695
Trust Funds and Deposits	2,043	-	-	-	-	2,043	2,043
Interest-Bearing Liabilities	2,055	1,832	3,334	7,333	2,941	17,495	14,386
	<b>20,793</b>	<b>1,832</b>	<b>3,334</b>	<b>7,333</b>	<b>2,941</b>	<b>36,233</b>	<b>33,124</b>

**2012**

	6 Months or Less	6-12 Months	1-2 Years	2-5 Years	>5 Years	Total Amount	Carrying Amount
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Trade and Other Payables	7,974	-	6,975	-	-	14,949	14,949
Trust Funds and Deposits	1,520	-	-	-	-	1,520	1,520
Interest-Bearing Liabilities	2,119	2,118	3,759	8,154	4,294	20,444	16,536
	<b>11,613</b>	<b>2,118</b>	<b>10,734</b>	<b>8,154</b>	<b>4,294</b>	<b>36,913</b>	<b>33,005</b>

**(e) Sensitivity Disclosure Analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Commonwealth Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year end rates of 2.75%. (2011/12 3.50%)

The statement below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year end, if the above movements were to occur.

Based on a market interest rate (AUD) at year end of 2.75% (2011/12 3.50%) a parallel shift of +1% will result in an increase of \$63K (2011/12 \$6.29K) in operating surplus and equity and accordingly a parallel shift of -2% would have resulted in a decrease of \$126K and (2011/12 \$12.58K) in operating surplus and equity on those balances subject to floating interest rates.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 35****AUDITOR'S REMUNERATION**

	2013 \$'000s	2012 \$'000s
Audit Fee to conduct External Audit – Victorian Auditor-General	58	59
Internal Audit Fees	66	46
	<b>124</b>	<b>105</b>

Image: Latrobe Regional Airport



## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 36**  
**INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITY**

2013

	TOTAL	Executive Office	Economic Sustainability	Organisational Excellence	Recreation, Culture and Community Infrastructure	Community Liveability	Governance	Other
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Income</b>								
Grants	30,044	3	297	1	2,323	12,527	100	14,793
Other	85,069	2	3,606	9	7,360	7,485	1,225	65,382
<b>Total Income</b>	<b>115,113</b>	<b>5</b>	<b>3,903</b>	<b>10</b>	<b>9,683</b>	<b>20,012</b>	<b>1,325</b>	<b>80,175</b>
<b>Expenses</b>	<b>105,590</b>	<b>1,227</b>	<b>9,797</b>	<b>5,065</b>	<b>25,331</b>	<b>26,532</b>	<b>8,909</b>	<b>28,729</b>
<b>Surplus (deficit) for the year</b>	<b>9,523</b>	<b>(1,222)</b>	<b>(5,894)</b>	<b>(5,055)</b>	<b>(15,648)</b>	<b>(6,520)</b>	<b>(7,584)</b>	<b>51,446</b>
<b>Assets attributed to Function/Activities *</b>	<b>1,083,641</b>	<b>463</b>	<b>30,804</b>	<b>913</b>	<b>888,448</b>	<b>108,925</b>	<b>1,761</b>	<b>52,327</b>

\* Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

## NOTES TO THE FINANCIAL STATEMENTS

NOTE 36 (CONTINUED)  
INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITY

	TOTAL	Executive Office	Economic Sustainability	Organisational Excellence	Recreation, Culture and Community Infrastructure	Community Liveability	Governance	Other
2012	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Income</b>								
Grants	35,386	-	448	4	3,541	11,216	125	20,052
Other	78,159	4	1,516	12	6,681	7,586	983	61,377
<b>Total Income</b>	<b>113,545</b>	<b>4</b>	<b>1,964</b>	<b>16</b>	<b>10,222</b>	<b>18,802</b>	<b>1,108</b>	<b>81,429</b>
<b>Expenses</b>	<b>107,322</b>	<b>1,125</b>	<b>9,380</b>	<b>4,730</b>	<b>24,150</b>	<b>25,155</b>	<b>8,456</b>	<b>34,326</b>
<b>Surplus (deficit) for the year</b>	<b>6,222</b>	<b>(1,121)</b>	<b>(7,416)</b>	<b>(4,714)</b>	<b>(13,928)</b>	<b>(6,353)</b>	<b>(7,348)</b>	<b>47,102</b>
<b>Assets attributed to Function/Activities *</b>	<b>982,242</b>	<b>507</b>	<b>25,472</b>	<b>727</b>	<b>809,193</b>	<b>96,900</b>	<b>1,363</b>	<b>48,081</b>

\* Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

NOTES TO THE *FINANCIAL STATEMENTS***NOTE 36 (CONTINUED)****INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITY****EXECUTIVE OFFICE**

This division is responsible for the management of council operations and chief executive office functions.

**ECONOMIC SUSTAINABILITY**

This division is responsible for investment facilitation, tourism and Latrobe Regional Airport activities and natural environment sustainability including the management of waste services.

**ORGANISATIONAL EXCELLENCE**

This division is responsible for people management and development, corporate strategy and information services.

**RECREATION, CULTURE & COMMUNITY INFRASTRUCTURE**

This division is responsible for recreational and cultural activities, infrastructure operations such as the maintenance of buildings, roads, drains and parks and gardens, transit cities and the management of capital projects. It is also responsible for cleansing services such as street and footpath sweeping and cleaning of public conveniences.

**COMMUNITY LIVEABILITY**

This division is responsible for the provision of family and children services programs including preschool, childcare and maternal and child health. Community Liveability is also responsible for community wellbeing programs including home care, meals on wheels ADASS and environmental health. This division also manages community information services including libraries, service centres and local laws. Community capacity building programs are also part of this division's responsibility.

**GOVERNANCE**

This division is responsible for council operations and legal counsel, financial management, community relations, risk management, statutory and strategic planning and building services.

**OTHER**

Other includes the Victoria Grants Commission general purpose grants and rate revenue together with expenditure that is not attributable to any other division.

**NOTE 37**  
**FINANCIAL RATIOS**

	2013 \$'000s	2013 %	2012 \$'000s	2012 %	2011 \$'000s	2011 %
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**(i) Debt Servicing Ratio**

(to identify the capacity of Council to service its outstanding debt)

$\frac{\text{Debt Servicing Cost}}{\text{Total Revenue}}$	$\frac{1,086}{115,113} = 0.94\%$	$\frac{1,226}{113,545} = 1.08\%$	$\frac{1,375}{112,927} = 1.22\%$
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Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

**(ii) Debt Commitment Ratio**

(to identify a Council's debt redemption strategy)

$\frac{\text{Debt Servicing \& Redemption Costs}}{\text{Rate Revenue}}$	$\frac{4,237}{62,637} = 6.76\%$	$\frac{4,069}{58,762} = 6.92\%$	$\frac{4,053}{54,547} = 7.43\%$
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The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

**(iii) Revenue Ratio**

(to identify a Council's dependence on non-rate income)

$\frac{\text{Rate Revenue}}{\text{Total Revenue}}$	$\frac{62,637}{115,113} = 54.41\%$	$\frac{58,762}{113,545} = 51.75\%$	$\frac{54,547}{112,927} = 48.30\%$
--	------------------------------------	------------------------------------	------------------------------------

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

**(iv) Debt Exposure Ratio**

(to identify a Council's exposure to debt)

$\frac{\text{Total Indebtedness}}{\text{Total Realisable Assets}}$	$\frac{61,409}{442,882} = 13.87\%$	$\frac{61,053}{404,902} = 15.08\%$	$\frac{54,066}{391,715} = 13.80\%$
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For the purpose of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 19) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

Land and buildings on Crown land; restricted assets; heritage assets and total infrastructure assets.

The ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage to total liabilities for each dollar of realisable assets.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 37 (CONTINUED)**  
**FINANCIAL RATIOS**

	2013 \$'000s	2013 %	2012 \$'000s	2012 %	2011 \$'000s	2011 %
<b>(v) Working Capital Ratio</b>						
(to assess a Council's ability to meet current commitments)						
Current Assets	53,662		50,490		43,575	
Current Liabilities	34,188	1.57:1	24,704	2.04:1	22,455	1.94:1

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

**(vi) Adjusted Working Capital Ratio**

(to assess a Council's ability to meet current commitments)

Current Assets	53,662		50,490		43,575	
Current Liabilities	28,030	1.91:1	18,816	2.68:1	18,518	2.35:1

The ratio expresses the level of current assets the Council has available to meet its adjusted current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

**NOTE 38****CORRECTION OF ERROR**

The Principal Accounting Officer has reassessed the classification of Council's term deposits with maturity dates greater than 3 months and identified an error in their classification made in the prior year (2012 \$11.310M).

This has led to restating the comparatives as follows:

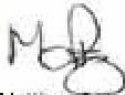
	2012 \$'000s	Movement \$'000s	Restated 2012 \$'000s
<b>Balance Sheet Extract</b>			
Cash and Cash Equivalents	39,033	(11,310)	27,723
Financial Assets	3,000	11,310	14,310
<b>Cash Flow Statement Extract</b>			
<b>Cash flows from Investing Activities</b>			
Payments for Financial Assets	-	(11,310)	(11,310)
Net Cash used in Investing Activities	(20,187)	(11,310)	(31,497)
<b>Cash and Cash Equivalents at the end of the financial year</b>	<b>39,033</b>	<b>(11,310)</b>	<b>27,723</b>



CERTIFICATION OF THE *FINANCIAL STATEMENTS*

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1988, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.

Principal Accounting Officer



Matthew Rogers, CPA

Dated: 16 September 2013

In our opinion the accompanying financial statements present fairly the financial transactions of the Latrobe City Council for the year ended 30 June 2013 and the financial position of the Council as at the date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 16 September 2013 to certify the financial statements in their final form.

Councillor



Cr. Darrell White

Dated: 16 September 2013

Councillor



Cr. Michael Bassiter

Dated: 16 September 2013

Acting Chief Executive Officer



Michael Edgar

Dated: 16 September 2013

# STANDARD STATEMENTS

## STANDARD INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	REF	Actual 2012/13 \$'000s	Budget 2012/13 \$'000s	Variations \$'000s	%
<b>INCOME</b>					
Rates		62,637	62,600	37	0
Operating Grants and Contributions	1	25,606	23,061	2,545	11
Capital Grants and Contributions	2	4,438	4,978	(540)	(11)
Interest	3	1,778	1,130	648	57
User Fees and Charges	4	14,759	15,192	(433)	(3)
Other Income	5	2,701	1,962	739	38
Developer Contributions	6	665	70	595	850
Developer Contributed Assets		2,150	2,000	150	7
Net gain (loss) on disposal of assets	7	(28)	-	(28)	(100)
Recognition of Previously Unrecognised Assets	8	407	-	407	100
<b>Total Income</b>		<b>115,113</b>	<b>110,993</b>	<b>4,120</b>	<b>4</b>
<b>EXPENSES</b>					
Employee Costs		(46,563)	(46,356)	(207)	0
Materials and Services	9	(37,932)	(39,309)	1,377	(4)
Bad and Doubtful Debts	10	(4)	(29)	25	(85)
Finance Costs		(1,086)	(1,117)	31	(3)
Depreciation	11	(20,004)	(21,400)	1,396	(7)
<b>Total Expenses</b>		<b>(105,590)</b>	<b>(108,211)</b>	<b>2,621</b>	<b>(2)</b>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>9,523</b>	<b>2,782</b>	<b>6,741</b>	<b>242</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Other		91,521	18,572	72,949	100
<b>Total Comprehensive Income for the Year</b>		<b>101,043</b>	<b>21,354</b>	<b>79,689</b>	<b>373</b>

## STANDARD INCOME STATEMENT VARIANCE EXPLANATION REPORT

REF	ITEM	COMMENTARY
1	<b>Operating Grants and Contributions</b>	Additional grant funding was recognised mainly due to 2013/2014 funding that has been advanced to Council in June 2013 together with funding received for programs such as Pre Schools, Employment Development, Healthy Communities, Community Strengthening and Emergency Relief, that was not identified in the 2012/2013 budget.
2	<b>Capital Grants and Contributions</b>	The reduction in capital grants funding was mainly due to project funding budgeted in 2012/13 that was advanced to Council in the previous financial year for the Moe Outdoor Pool Upgrade together with funding that is now expected to be received in 2013/2014 due to project delays partially offset by some grants such as Blackspot funding received that was not identified in the 2012/2013 budget.
3	<b>Interest</b>	Additional interest revenue was achieved mainly due to greater than expected cash holdings as a result of the receipt of additional program and project funding in advance of the timing of expenditure and some delays in capital works projects.
4	<b>User Fees and Charges</b>	The unfavourable variance is mainly a result of a decrease in Landfill gate fees due to reduced levels of commercial/industrial waste received, together with lower than anticipated Child Care fees as a result of lower than expected utilisation rates and ability to fill Family Day Carer positions. Parking infringements were also less than anticipated as a result of the move to two hour limits. Some better than expected results were achieved in Subdivision supervision fees and failure to vote election fines.
5	<b>Other Income</b>	The favourable variance is largely a result of additional revenue achieved from interest generated on unpaid rates, bluegum pulpwood reimbursements for the Hyland Highway landfill and the receipt of contributions for the Rail Freight Development Alliance
6	<b>Developer Contributions</b>	The favourable variance is mainly related to Development Plan Contributions for Heritage Boulevard Estate, together with greater than expected Drainage Headworks, Public Open Space and other future works contributions.

## STANDARD STATEMENTS

**STANDARD INCOME STATEMENT***VARIANCE EXPLANATION REPORT (CONTINUED)*

REF	ITEM	COMMENTARY
7	<b>Net gain (loss) on disposal of assets</b>	Plant and vehicle sales together with equipment and playground disposals generated a minor loss over the budgeted amount.
8	<b>Recognition of Previously Unrecognised Assets</b>	During the financial year a number of land and building assets were recognised for the first time, together with a gifted bus and a transfer station item of plant that had previously been treated as not controlled by Council.
9	<b>Materials and Services</b>	The favourable variance is mainly a result of project and program funding to be carried over to be spent in the 2013/2014 financial year together with transfer station upgrade expenditure which was budgeted as operating expenditure but subsequently reclassified to capital expenditure.
10	<b>Bad and Doubtful Debts</b>	The favourable result is due to better than expected collection of outstanding debts and a subsequent reduction in the provision for doubtful debts as at the end of 2012/2013.
11	<b>Depreciation</b>	The favourable variance is mainly a result of the staging and subsequent delay in opening landfill cell 3B at the Hyland Highway landfill facility.

## STANDARD STATEMENTS

## STANDARD BALANCE SHEET AS AT 30 JUNE 2013

	REF	Actual 2012/13 \$'000s	Budget 2012/13 \$'000s	Variations \$'000s	%
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents and Financial Assets	1	47,163	16,745	30,418	182
Trade and Other Receivables	2	6,293	8,272	(1,979)	(24)
Prepayments	3	207	1,033	(826)	(80)
<b>Total Current Assets</b>		<b>53,662</b>	<b>26,050</b>	<b>27,612</b>	<b>106</b>
<b>NON-CURRENT ASSETS</b>					
Trade and Other Receivables		26	26	-	0
Property, Plant, Equipment and Intangibles	4	1,029,950	955,177	74,773	8
Financial Assets		2	2	-	-
<b>Total Non-Current Assets</b>		<b>1,029,979</b>	<b>955,205</b>	<b>74,774</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>1,083,641</b>	<b>981,255</b>	<b>102,386</b>	<b>10</b>
<b>CURRENT LIABILITIES</b>					
Trade and Other Payables	5	16,695	7,178	9,517	133
Interest-Bearing Liabilities		2,959	2,947	12	0
Provisions - Employee Benefits	6	10,465	8,469	1,996	24
Provisions - Landfill Improvements	7	2,027	1,545	482	31
Trust Funds and Deposits	8	2,043	1,634	409	25
<b>Total Current Liabilities</b>		<b>34,188</b>	<b>21,772</b>	<b>12,416</b>	<b>57</b>
<b>NON-CURRENT LIABILITIES</b>					
Interest-Bearing Liabilities		11,427	11,468	(41)	(0)
Provisions - Employee Benefits		1,406	1,500	(94)	(6)
Provisions - Landfill Improvements	9	14,387	12,530	1,857	15
<b>Total Non-Current Liabilities</b>		<b>27,221</b>	<b>25,498</b>	<b>1,723</b>	<b>7</b>
<b>TOTAL LIABILITIES</b>		<b>61,409</b>	<b>47,270</b>	<b>14,139</b>	<b>30</b>
<b>NET ASSETS</b>		<b>1,022,232</b>	<b>933,985</b>	<b>88,247</b>	<b>9</b>
<b>EQUITY</b>					
Accumulated Surplus	10	620,526	608,257	12,269	2
Asset Revaluation Reserve	11	399,253	323,737	75,516	23
Other Reserves	12	2,453	1,991	462	23
<b>TOTAL EQUITY</b>		<b>1,022,232</b>	<b>933,985</b>	<b>88,247</b>	<b>9</b>

## STANDARD STATEMENTS

**STANDARD BALANCE SHEET**  
**VARIANCE EXPLANATION REPORT**

REF	ITEM	COMMENTARY
1	<b>Cash and Cash Equivalents</b>	Cash assets are higher than budgeted mainly due to the early receipt of government grant funding, together with incomplete capital works at the end of the reporting period.
2	<b>Trade and Other Receivables</b>	The lower than budgeted level of receivables is mainly due to a reduction in general sundry debtors such as outstanding government grant claims.
3	<b>Prepayments</b>	Prepayments are lower than budgeted largely due to the later than usual timing of Council's public liability insurance premium together with the final settlement of a long term prepayment for the purchase of the Morwell Transfer Station during the previous year that was not recognised in the adopted budget.
4	<b>Property, Plant, Equipment and Intangibles</b>	The revaluation increments for land and infrastructure assets were greater than the 2% increment allowed for in the 2012/2013 budget.
5	<b>Trade and Other Payables</b>	This variance is mainly due to the recognition of Council's apportioned share of the defined benefits superannuation liability, this liability does not require cash funding until the 2013/2014 financial year.
6	<b>Provisions - Employee Benefits</b>	The variance in current employee benefits provision is due to the change in the Local Government Long Service Leave Regulations that now allows employees to access their leave entitlement at 7 years rather than the previous 10 years together with a significant change in the present value of these entitlements. Whilst these changes occurred in the 2011/2012 financial year they were not quantified until after the 2012/2013 budget had already been adopted.
7	<b>Provisions – Landfill Improvements (Current)</b>	The unfavourable variance is due to increased Landfill rehabilitation costs to be incurred over the next twelve months as a result of works budgeted for the 2012/2013 financial year that have been delayed.
8	<b>Trust Funds and Deposits</b>	The unfavourable variance is due to higher than anticipated holdings of security deposits and contract retention amounts than anticipated at the end of the financial year.

**STANDARD BALANCE SHEET**  
**VARIANCE EXPLANATION REPORT (CONTINUED)**

REF	ITEM	COMMENTARY
9	<b>Provisions – Landfill Improvements (Non Current)</b>	The unfavourable variance is due to delays to landfill rehabilitation works expected to be carried out in 2012/2013 therefore the provision has not decreased as anticipated.
10	<b>Accumulated Surplus</b>	The increased surplus relates mainly to higher than expected opening equity in the 2012/13 financial year and a greater than expected surplus in the current reporting period. These additional surpluses are largely due to government grants and other funds received in advance together with some other project/program expenditures that have been delayed to the 2013/14 financial year.
11	<b>Asset Revaluation Reserve</b>	The revaluation increments for land and infrastructure assets were greater than the 2% increment allowed for in the 2012/2013 budget.
12	<b>Other Reserves</b>	The value of reserves is higher than expected due to the additional developer contributions received for Heritage Boulevard Estate, drainage, public open space and other future works contributions.

## STANDARD STATEMENTS

## STANDARD CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	REF	Actual 2012/13 \$'000s	Budget 2012/13 \$'000s	Variations \$'000s	%
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Receipts from Operating Activities	1	114,957	108,766	6,191	6
Cash Payments in the Course of Operating Activities	2	(83,133)	(86,746)	3,613	4
<b>Net Cash Flows from Operating Activities</b>		<b>31,824</b>	<b>22,020</b>	<b>9,804</b>	<b>45</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from Property, Plant and Equipment	3	828	1,380	(552)	(40)
Payments for Property, Plant and Equipment	4	(24,286)	(28,006)	3,720	13
Payments for financial assets	5	(5,190)	0	(5,190)	(100)
<b>Net Cash Flows from/(used in) Investing Activities</b>		<b>(28,648)</b>	<b>(26,626)</b>	<b>(2,022)</b>	<b>8</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Finance Costs		(1,086)	(1,117)	31	3
Proceeds from Borrowings		1,000	1,000	0	0
Repayment of Borrowings		(3,150)	(3,127)	(23)	(1)
<b>Net Cash Flows from/(used in) Financing Activities</b>		<b>(3,237)</b>	<b>(3,244)</b>	<b>7</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(60)</b>	<b>(7,850)</b>	<b>7,790</b>	<b>99</b>
Cash and Cash Equivalents at Beginning of Financial Year	6	27,723	24,594	3,129	13
<b>Cash at End of Financial Year</b>		<b>27,663</b>	<b>16,745</b>	<b>10,918</b>	<b>65</b>



## STANDARD CASH FLOW STATEMENT VARIANCE EXPLANATION REPORT

REF	ITEM	COMMENTARY
1	<b>Cash Receipts from Operating Activities</b>	The additional receipts received were mainly a result of additional operating grants, interest on investments, developer contributions and other income as detailed in the notes to the Standard Income Statement.
2	<b>Cash Payments in the Course of Operating Activities</b>	The lower than anticipated level of payments was mainly due to delayed project and program expenditure which will now be incurred in the 2013/2014 financial year.
3	<b>Proceeds from Property, Plant and Equipment</b>	Sales proceeds were less than anticipated due to anticipated property sales that have been now taken off the market or deferred for later consideration.
4	<b>Payments for Property, Plant and Equipment</b>	The less than anticipated level of payments was mainly due to delayed capital project expenditure which will now be incurred in the 2013/2014 financial year.
5	<b>Payments for Financial Assets</b>	Payments for term deposits with an original maturity of greater than 90 days were treated as Cash and Cash Equivalents in the budget but have been actually classified as Financial Assets as a result of advice from the Victorian Auditor General's Office.
6	<b>Cash and Cash Equivalents at Beginning of Financial Year</b>	The additional cash held at the beginning of the financial year was mainly a result of government funding for 2013/2014 that was advanced to Council in the previous financial year together with capital and operational projects funds which were carried forward to be expended in 2013/2014

## STANDARD STATEMENTS

## STANDARD CAPITAL WORKS STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	Actual 2012/13 \$'000s	Budget 2012/13 \$'000s	Variations \$'000s	%
<b>CAPITAL WORKS AREAS</b>					
Roads, Paths, Bridges and Carparks	1	13,997	17,492	(3,495)	(20)
Drainage	2	75	120	(45)	(37)
Land, Buildings and Improvements	3	4,352	5,619	(1,267)	(23)
Plant and Equipment	4	3,178	2,037	1,141	56
Furniture, Equipment and Intangibles	5	1,231	550	681	124
Playgrounds	6	423	673	(250)	(37)
Artworks	7	24	15	9	61
Landfill Cell Construction	8	1,006	1,500	(494)	(33)
<b>Total Capital Works</b>		<b>24,286</b>	<b>28,006</b>	<b>(3,720)</b>	<b>(13)</b>
<b>Represented by:</b>					
Asset Renewal	9	14,260	16,977	(2,717)	(16)
New Assets	10	4,038	4,942	(904)	(18)
Asset Expansion/ Upgrade		5,988	6,087	(99)	(2)
<b>Total Capital Works</b>		<b>24,286</b>	<b>28,006</b>	<b>(3,720)</b>	<b>(13)</b>

## Property, Infrastructure, Plant and Equipment and Intangibles movement reconciliation worksheet

<b>Total Capital Works</b>		<b>24,286</b>	<b>28,006</b>	<b>(3,720)</b>	<b>(13)</b>
Depreciation and Amortisation		(20,004)	(21,400)	1,396	(7)
Less Written down value of assets sold		(856)	(657)	(199)	30
Developer contributed assets		2,150	2,000	150	7
Recognition of Previously Unrecognised Assets		407	-	407	100
Reversal of Assets held for sale		744	-	744	100
Asset Revaluation Reserve		91,521	18,572	72,949	393
<b>Net movement in Property, Infrastructure, Plant and Equipment and Intangibles</b>		<b>98,247</b>	<b>26,521</b>	<b>71,726</b>	<b>270</b>

## STANDARD CAPITAL WORKS STATEMENT VARIANCE EXPLANATION REPORT

REF	ITEM	COMMENTARY
1	<b>Roads, Paths, Bridges and Carparks</b>	The lower than anticipated expenditure is largely due to delays experienced in Churchill Activity Centre Plan works, road rehabilitation projects, rural gravel road sealing program, timber haulage program, Coalville Road Moe pedestrian link and the footpath replacement program. These funds will be carried over to complete these projects in the 2013/2014 financial reporting period.
2	<b>Drainage</b>	The variance relates to delays in the completion of Commercial Road Gross Pollutant Trap Installation which is now forecast to be carried over to allow completion of the works in the 2013/2014 financial year. This has been partially offset by additional expenditure in drainage works at Alamere Drive Traralgon that were funded from developer contributions reserves.
3	<b>Land, Buildings and Improvements</b>	The lower than anticipated expenditure is largely due to the reclassification of some items/projects to operating expenditure together with some projects which are ongoing and these funds will be carried over to complete these projects in the 2013/2014 financial reporting period such as the Moe outdoor pool upgrade.
4	<b>Plant and Equipment</b>	The additional expenditure incurred was mainly due to Transfer Station Upgrade expenditure that was budgeted as operating expenditure, together with some plant and fleet expenditure that was ordered in the previous financial year but delivered during 2012/2013 and funded from prior year allocations carried forward.
5	<b>Furniture ,Equipment and Intangibles</b>	The additional expenditure incurred was mainly due to the telephone system upgrade and survey and CCTV equipment that was funded from prior year allocations carried forward and government grants not identified in the budget.
6	<b>Playgrounds</b>	The lower than anticipated expenditure was primarily a result of the Morwell Skate Park project being still under construction at year end these funds will be carried over for completion of the project in the 2013/2014 financial year.
7	<b>Artworks</b>	The Latrobe Regional received an unanticipated donation from Public Galleries Association of Victoria that allowed additional expenditure on Artworks during the year.

## STANDARD STATEMENTS

**STANDARD CAPITAL WORKS STATEMENT**  
*VARIANCE EXPLANATION REPORT (CONTINUED)*

REF	ITEM	COMMENTARY
8	<b>Landfill Cell Construction</b>	This variance is a result of \$1.500M set aside for the construction of cell 4 at Council's landfill largely offset by \$1.006M spent in the completion of cell 3 from funds carried over from the previous financial year.
9	<b>Asset Renewal</b>	The lower than anticipated renewal expenditure is largely a result of road projects delayed due to various factors with the funds to be carried over to complete the projects during 2013/2014.
10	<b>New Assets</b>	The lower than anticipated expenditure on new assets is largely a result of the delay in the Churchill Town Centre Plan project with the funds to be carried over to complete the project during 2013/2014.

## NOTES TO THE STANDARD STATEMENTS

### 1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required a Standard Statement of Financial Performance, a Standard Balance Sheet, a Standard Statement of Cash Flows, and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on an accounting basis consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included at the beginning of the Financial Statements section of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The *Local Government Act 1989* requires explanation of any material variances. The City has adopted a materiality threshold of 10 per cent or \$250,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

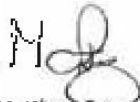
The budget figures included in the Statements are those adopted by Council on 16 July 2012. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.



## CERTIFICATION OF THE *STANDARD STATEMENTS*

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*.

Principal Accounting Officer



Matthew Rogers, CPA  
Dated: 16 September 2013

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by the Council on 16 September 2013 to certify the standard statements in their final form.

Councillor



Cr. Darrell White  
Dated: 16 September 2013

Councillor




Cr. Michael Rossiter  
Dated: 16 September 2013

Acting Chief Executive Officer



Michael Edgar  
Dated: 16 September 2013

## AUDITOR GENERAL'S REPORT ON FINANCIAL AND STANDARD STATEMENTS



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Victorian Auditor-General's Office

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**INDEPENDENT AUDITOR'S REPORT**

**To the Councillors, Latrobe City Council**

*The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2013 of the Latrobe City Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2013 of the Council which comprises standard statement income statement, standard statement balance sheet, standard cash flow statement, standard capital works statement, the related notes and the certification of standard statements have been audited.

*The Councillors' Responsibility for the Financial Report and Standard Statements*

The Councillors of the Latrobe City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

*Auditing in the Public Interest*



## AUDITOR GENERAL'S REPORT ON FINANCIAL AND STANDARD STATEMENTS

**Independent Auditor's Report (continued)**

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

*Opinion*

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Latrobe City Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

*Basis of Accounting for Standard Statements*

Without modifying my opinion, I draw attention to Note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

*Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements*

This auditor's report relates to the financial report and standard statements of the Latrobe City Council for the year ended 30 June 2013 included both in the Latrobe City Council's annual report and on the website. The Councillors of the Latrobe City Council are responsible for the integrity of the Latrobe City Council's website. I have not been engaged to report on the integrity of the Latrobe City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE  
19 September 2013

  
John Doyle  
Auditor-General

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*Auditing in the Public Interest*

# PERFORMANCE STATEMENT

The Performance Statement reports the result of Strategic Activities adopted by Council in its annual budget in accordance with the requirements of the *Local Government Act 1989*.

## Economy

### KEY STRATEGIC ACTIVITY

*Deliver "Positioning Latrobe City for a Low Carbon Emission Future" to maximise the opportunities for alternative technologies and non traditional uses for coal, through support of the Low Carbon Emissions Future Transition Committee.*

**Not Achieved** – Only one Committee meeting being held due to Council deciding to abolish the Committee by Council resolution in April 2013.

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council's contribution was limited to the cost of internal resources only.
<b>Time</b>	The Ordinary Council Meeting, at which a report detailing progress and activities during 2012/13 financial year will be presented to Council for consideration, will be no later than 30 June 2013.	<b>Achieved.</b> At its ordinary meeting of 17 December 2012, Council resolved the following- "That Council notes the update on the implementation of Positioning Latrobe City for a Low Carbon Emission Future".
<b>Quantity</b>	A minimum of two Low Carbon Committee meetings will be held during 2012/13.	<b>Not achieved.</b> One meeting was held during 2012/13. The Committee was abolished by Council resolution in April 2013.
<b>Quality</b>	Progression of actions and objectives from the 'Positioning Latrobe City for a Low Carbon Emission Future'.	<b>Not Achieved.</b> One meeting was held during 2012/13. The Committee was abolished by Council resolution in April 2013.

## Natural Environment

### KEY STRATEGIC ACTIVITY

*Implement actions from the Natural Environment Sustainability Strategy 2008-2013 to achieve identified biodiversity and sustainability outcomes.*

**Achieved** - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council allocated \$9,634,500 within the adopted budget towards the Natural Environment Sustainability Strategy, with actual expenditure of \$5,638,453 incurred.
<b>Time</b>	The Ordinary Council Meeting, at which a progress report on the delivery of actions identified by the Natural Environment Sustainability Strategy is presented to Council for consideration, will be no later than 30 June 2013.	<b>Achieved.</b> The annual snapshot report on the delivery of actions identified by the Natural Environment Sustainability Strategy was adopted by Council at the 3 June 2013 Ordinary Council Meeting.
<b>Quantity</b>	A report on the progress delivered against actions identified in the Natural Environment Sustainability Strategy 2008 - 2013 will be presented to Council for consideration.	<b>Achieved.</b> The annual snapshot report on the delivery of actions identified by the Natural Environment Sustainability Strategy was adopted by Council at the 3 June 2013 Ordinary Council Meeting.
<b>Quality</b>	Progression of actions and objectives from the Natural Environment Sustainability Strategy 2008-2013, and provision of information to Council on progress.	<b>Achieved.</b> The annual snapshot report on the delivery of actions identified by the Natural Environment Sustainability Strategy was adopted by Council at the 3 June 2013 Ordinary Council Meeting.

## PERFORMANCE STATEMENT

**Built Environment**

## KEY STRATEGIC ACTIVITY

*Pursue government funding opportunities to progress construction of the Moe Rail Precinct Revitalisation Project in accordance with the Moe Activity Centre Plan.*

**Achieved** - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to the resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council's contribution was limited to the cost of internal resources only.
<b>Time</b>	The Ordinary Council Meeting, at which the summary of funding programs and opportunities identified will be presented to Council for consideration, will be no later than 30 June 2013.	<b>Achieved.</b> The summary of funding programs and opportunities identified was presented to Council for consideration on the 25th of March 2013 at a special Council Meeting.
<b>Quantity</b>	A report detailing potential funding programs and opportunities will be identified throughout the 2012/13 financial year.	<b>Achieved.</b> A report detailing potential funding programs was included in the review report considered at the 25 March 2013 special Council Meeting. In accordance with the resolution from Council the seeking of funding for this project has recommenced. A formal application for funding to the Victorian Government's Regional Growth Fund was submitted on 21 June 2013. No additional commitments for further funding have been given by State or Federal Governments to date.
<b>Quality</b>	The report will outline potential program funding opportunities, funding guidelines and provide recommendations to progress the Moe Rail Precinct Revitalisation Project development.	<b>Achieved.</b> The report presented at the 25 March 2013 special Council Meeting outlined potential program funding opportunities, funding guidelines and provided recommendation's to progress the Moe Civic Precinct development.

*(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).*

## KEY STRATEGIC ACTIVITY

*Finalise Stage 2 of the Traralgon Activity Centre Plan to improve access, guide future land use and establish an urban design framework and parking precinct.*

**Not Achieved** - Following a resolution of Council on 19 September 2011 which links Traralgon Activity Centre Plan (TACP) to the delivery of Traralgon Growth Areas Review (TGAR).

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council allocated \$30,000 within the adopted budget towards the Traralgon Activity Centre Plan, with actual expenditure of \$17,564 incurred.
<b>Time</b>	The Ordinary Council Meeting, at which Stage 2 of the Traralgon Activity Centre Plan will be presented to Council for consideration, will be no later than 30 June 2013.	<b>Not Achieved.</b> Following a resolution of Council on 19 September 2011 which links Traralgon Activity Centre Plan (TACP) to the delivery of Traralgon Growth Areas Review (TGAR), Stage 2 of the TACP was not presented to Council prior to 30 June 2013.
<b>Quantity</b>	Finalisation of Stage 2 of the Traralgon Activity Centre Plan will result in the completion of an Urban Design Framework, Activity Centre Plan and Implementation Plan to inform a planning scheme amendment.	<b>Not Achieved.</b> The draft Urban Design Framework, Activity Centre Plan, Parking Strategy and implementation Plan was not completed as a result of the resolution of Council on 19 September 2011.
<b>Quality</b>	The quality of Stage 2 outputs and resulting planning scheme amendment will be measured by the success of the Planning Scheme amendment process, including assessment by an independent Planning Panel and the decision by the Minister for Planning.	<b>Not Achieved.</b> The TACP project is subject to the success of the Planning Scheme Amendment process (i.e. Stage 3) which has not yet commenced.

*(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).*

## PERFORMANCE STATEMENT

**Community**

## KEY STRATEGIC ACTIVITY

*In consultation with community groups, develop and implement a Seniors Week program of activities to provide opportunities for active participation of older people.*

**Achieved** - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council allocated \$10,300 within the adopted budget towards the Seniors Week, with actual expenditure of \$9,973.
<b>Time</b>	Delivery of the Seniors Week program of activities by no later than 31 October 2012.	<b>Achieved.</b> Program delivered in October 2012
<b>Quantity</b>	Delivery of a program of activities, to provide opportunities for active participation of older people during Seniors Week.	<b>Achieved.</b> Event held over 7 days offering over 40 activities.
<b>Quality</b>	Senior's Week program that receives positive feedback from participants and is well attended.	<b>Achieved.</b> All activities fully booked. Surveys returned at major activities show only positive feedback. Unsolicited letters of appreciation have been received.

**Culture**

## KEY STRATEGIC ACTIVITY

*Develop the Latrobe City Events Strategy and Action Plan 2013-2017 and present to Council for consideration.*

**Achieved** - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council's contribution was limited to the cost of internal resources only.
<b>Time</b>	The Ordinary Council Meeting, at which the Events Strategy and Action Plan will be presented to Council for consideration, will be no later than 30 June 2013.	<b>Achieved.</b> The 2013-2017 Latrobe City Events Strategy and Action Plan was adopted by Council at the Ordinary Council Meeting on 17 September 2012.
<b>Quantity</b>	The Events Strategy and Action Plan will identify key principles and actions to facilitate continued growth and development of events for economic benefit, to build capacity in our community and to lift the profile of Latrobe City.	<b>Achieved.</b> The 2013-2017 Latrobe City Events Strategy and Action Plan contains key principles and actions to facilitate continued growth and development of events.
<b>Quality</b>	The Events Strategy and Action Plan will provide clear strategic directions for Latrobe City events and ensure continued growth and sustainability of events for the benefit of Latrobe City.	<b>Achieved.</b> The 2013-2017 Latrobe City Events Strategy and Action Plan provides clear strategic directions for Latrobe City events and will ensure continued growth and sustainability of events.

*(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).*

**Recreation****KEY STRATEGIC ACTIVITY**

*Finalise review of the Latrobe City Public Open Space Plan to ensure accessible, connected and varied open space experiences continue to be provided for our community.*

**Achieved** - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council's contribution was limited to the cost of internal resources only.
<b>Time</b>	The Ordinary Council Meeting, at which the Public Open Space Plan will be presented to Council for consideration, will be no later than 30 June 2013.	<b>Achieved.</b> The Public Open Space Plan was presented to Council on 20 May 2013.
<b>Quantity</b>	The revised Latrobe City Public Open Space Plan key principles and actions will guide and define the provision of public open space in Latrobe City for the enjoyment of the community.	<b>Achieved.</b> The Public Open Space Strategy will achieve the quality measure.
<b>Quality</b>	The quality of outputs will be measured by the Department of Planning and Community Development's level of satisfaction with the information and process used to support a subsequent planning scheme amendment.	<b>Achieved.</b> Department of Planning and Community Development have indicated that they are satisfied with the quality of the Public Open Space Strategy. The Strategy provides clear strategic directions for Latrobe City in respect to the planning for and management of open space within Latrobe City.

*(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).*

## PERFORMANCE STATEMENT

**Governance**

## KEY STRATEGIC ACTIVITY

*Develop the Council Plan 2013-2017, present to Council for consideration and submit to the Minister for Local Government within the legislated timeframe.*

**Achieved** - within the 2012/13 financial year, with performance targets met, as outlined below.

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to the resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council allocated \$15,800 within the adopted budget towards the development of the Council Plan, with actual expenditure of \$10,208.
<b>Time</b>	Submit the Council Plan 2013- 2017 to the Minister for Local Government by the 30 June 2013.	<b>Achieved.</b> Council resolved to adopt the Council Plan 2013-2017 on the 24 June 2013. The Council Plan was submitted electronically to the Minister for Local Government on the 27 June 2013.
<b>Quantity</b>	The Council Plan 2013 – 2017 will identify four year strategic objectives of Council, strategies to achieve identified objectives, strategic performance indicators and a four year strategic resources plan, in accordance with the Local Government Act.	<b>Achieved.</b> The Council Plan 2013 – 2017 identifies four year strategic objectives of Council, strategies to achieve identified objectives, strategic performance indicators and is supported by a four year strategic resources plan, in accordance with the Local Government Act.
<b>Quality</b>	The Council Plan will outline Latrobe City Council's response to the objectives of 'Latrobe 2026: The Community Vision for Latrobe Valley' and identify Councillors strategic directions for the next four years.	<b>Achieved.</b> Latrobe 2026: The Community Vision for Latrobe Valley was considered by Council during the preparation of the Council Plan and the strategic directions identified.



**Advocacy and Partnerships**

## KEY STRATEGIC ACTIVITY

*Develop a City Image Strategy to strengthen Latrobe City's profile as Gippsland's Regional City.***Not Achieved** - Council resolved to indefinitely defer further consideration of the draft City Image Strategy.

Performance Measure	Target	Actual
<b>Cost</b>	Latrobe City Council's financial contribution during the 2012/13 financial year will be limited to the resources allocated within Council's adopted budget.	<b>Achieved.</b> Latrobe City Council allocated \$25,000 within the adopted budget towards the City Image Strategy, with actual expenditure of \$23,571 incurred.
<b>Time</b>	The Ordinary Council Meeting, at which the Latrobe City Image Strategy will be presented to Council for consideration, will be no later than 30 June 2013.	<b>Achieved.</b> A draft City Image Strategy was presented to Council on 3 June 2013. Council resolved to indefinitely defer further consideration of the draft City Image Strategy.
<b>Quantity</b>	The Latrobe City Image Strategy will guide Latrobe City Council's role in promoting a sense of community pride and promote Latrobe City's regional city status.	<b>Not Achieved.</b> Strategy not adopted by Council.
<b>Quality</b>	The Latrobe City Image Strategy will provide clear strategic direction to strengthen Latrobe City's profile as Gippsland's Regional city.	<b>Not Achieved.</b> Strategy not adopted by Council.

*(Latrobe City Council acknowledges the subjective nature of this measure, but is constrained in its ability to provide an alternative quality measure that is quantifiable within the reporting period).*



## COUNCIL APPROVAL OF THE *PERFORMANCE STATEMENT*

In our opinion the accompanying performance statement of the Latrobe City Council in respect of the 2012/2013 financial year is presented fairly.

At the time of signing we are not aware of any circumstance which would render any particular in the statement to be misleading or inaccurate.

We have been authorised by the Council on 16 September 2013 to certify the performance statement in its final form.

Councillor



Cr. Darrell White

Dated: 16 September 2013

Councillor



Cr. Michael Rossiter

Dated: 16 September 2013


Acting Chief Executive Officer



Michael Edgar

Dated: 16 September 2013

## AUDITOR GENERAL'S REPORT ON PERFORMANCE STATEMENT



**VAGO**

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

### INDEPENDENT AUDITOR'S REPORT

**To the Councillors, Latrobe City Council**

*The Performance Statement*

The accompanying performance statement for the year ended 30 June 2013 of the Latrobe City Council which comprises the statement and the council approval of the performance statement has been audited.

*The Councillors' Responsibility for the Performance Statement*

The Councillors of the Latrobe City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Auditing in the Public Interest*

**Independent Auditor's Report (continued)***Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

*Auditor's Opinion*

In my opinion, the performance statement of the Latrobe City Council in respect of the 30 June 2013 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

*Matters Relating to the Electronic Publication of the Audited Performance Statement*

This auditor's report relates to the performance statement of the Latrobe City Council for the year ended 30 June 2013 included both in the Latrobe City Council's annual report and on the website. The Councillors of the Latrobe City Council are responsible for the integrity of the Latrobe City Council's website. I have not been engaged to report on the integrity of the Latrobe City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
19 September 2013



John Doyle  
Auditor-General

# GLOSSARY

All Latrobe City Council adopted strategies and plans are available on Council's website [www.latrobe.vic.gov.au/Planningforourfuture](http://www.latrobe.vic.gov.au/Planningforourfuture)

## A

### Advisory Committee

Specialist appointees who form a committee that provides advice to Latrobe City Council on matters relating to the delivery of strategies, services and activities.

### Advocacy

To provide support to a cause or to make public recommendation.

### Annual Business Plan

The Annual Business Plan, together with the Annual Budget, is Council's short term planning document. The Annual Business Plan consists of actions which support the delivery of the Council Plan and Organisational Excellence @ Latrobe. The Annual Budget identifies the financial and non-financial resources required to support the Plan.

### Annual Report

The Annual Report is an annual reporting tool to provide an update to Council stakeholders and the Minister for Local Government on how Council has achieved against the commitments made in the Council Plan and Strategic Resources Plan. In accordance with *section 131* of the *Local Government Act 1989*, it includes a report of Council's operations, audited standard and financial statements, performance statement (*section 132*) and report on the performance statement (*section 133*).

### Asset

Property owned by Latrobe City Council.

## B

### Best Value principles

Contained in the *Local Government Act 1989*, the six principles must be observed by all Victorian councils. The principles aim to enable councils to determine the most effective means of providing a service to the community.

### Building Act 1993

The primary purposes of this Victorian Government legislation is to regulate building work and building standards, accreditation of building products and constructions methods and provision of building and occupancy permit systems and dispute resolution mechanisms.

## C

### Capital Works

Projects undertaken to either renew, upgrade or construct assets owned by Latrobe City Council.

### Community Grants

Council allocates a sum of money for the Community Grants Program as part of its annual budget process. This funding is shared between various non-profit community groups and organisations.

### Council

The collective group of nine councillors that set the strategic direction for Latrobe City Council, monitor organisational performance, liaise with stakeholders and ensure operational compliance.

## Councillor

A member of the community elected in accordance with the *Local Government Act 1989* to represent the residents of a ward within the municipality, as a member of Council.

### Charter of Human Rights and Responsibilities Act 2006

Legislation created to protect and promote human rights. It sets out freedoms, rights and responsibilities.

## D

### Development Plan

A plan that aims to coordinate the layout of new subdivisions and is particularly useful to ensure the integrated development of land where there are several properties in separate ownership. The plan may also provide certainty about the nature and staging of new subdivision developments over a period of time. A development plan can provide direction and coordination of infrastructure networks, public open space and housing types

## F

### Feasibility study

The evaluation or analysis of the potential impact of a proposed project.

**G****Gippsland Local Government Network**

An alliance of the six municipal councils located in Gippsland. The Mayor and Chief Executive Officer of each council meet regularly, with the primary objective to work collaboratively on a range of issues and projects of mutual interest.

**Gippsland Logistics Precinct**

A Council-owned 64 hectare precinct adjacent to the existing rail line in Morwell to be developed to establish a centre for the efficient and cost effective movement of freight to and from the Gippsland region.

**I****Indigenous**

Originating in a particular geographic region or environment and native to the area and/or relating to Aboriginal and Torres Strait Islander people.

**Infrastructure**

Basic community facilities, such as roads, drains, footpaths and public buildings.

**Information Privacy Act 2001**

The purpose of this Act is to create a scheme for the responsible collection and handling of personal information across the Victorian public sector.

**L****Latrobe Planning Scheme**

The planning scheme that sets out policies and requirements for the use, development and protection of land located in Latrobe City.

**Local Government Act 1989**

This Victorian Government legislation outlines the intention for councils to provide a democratic and efficient system of local government in Victoria. It also gives councils the power to meet the needs of their communities, and provides the basis for an accountable system of governance in Victoria.

**Local Government Community Satisfaction Survey**

Participating Councils engage a consultant to survey community members on Councils overall performance, community consultation, advocacy and customer service, identifying areas for improvement.

**Local Laws**

Laws under the jurisdiction of Council and enforced by council employees and/or Victoria Police.

**Local Planning Policy Framework**

The framework provides the local aspects of the strategic basis for land use planning as controlled by the Latrobe Planning Scheme. The framework consists of the Municipal Strategic Statement together with the Local Planning Policy.

**M****Main Town Structure Plans**

Plans developed by Latrobe City Council that identify areas where land is earmarked for future residential and industrial expansion in and around Latrobe City's main towns, based on predictions of future population growth for the municipality.

**Major Initiative**

A project identified by Council to be implemented during the four year period of the Council Plan.

**Mission**

The Council's philosophy that articulates how the community vision and Council Plan will be achieved.

**Municipality**

A geographical area that is delineated for the purpose of local government.

## O

**Objective**

There are nine strategic objectives outlined in Latrobe 2026 and the Council Plan 2012-2016. They set the objectives for Council and the organisation over a four year period.

## P

**Performance Indicator**

Measures used to monitor the performance of Council in achieving the objectives of the Council Plan.

**Plan**

Focused and structured detail of action to be undertaken, involving a series of specific steps, to implement the objectives and goals of an overarching strategic direction.

**Planning and Environment Act 1987**

This Victorian Government legislation establishes a framework for planning the use, development and protection of land in Victoria in the present and long-term interests of all Victorians.

**Policy**

A set of principles intended to influence and provide direction for Council decisions, actions, programs and activities.

**Public Health and Wellbeing Act 2008**

This Victorian Government legislation replaces the previous *Health Act 1958*. It aims to achieve the highest attainable standard of public health and well-being in Victoria, through the update and modernisation of Victoria's public health framework.

## Q

**Quarterly Report**

The Quarterly Report is a four monthly report to councillors on how the organisation is progressing against the commitments made in the Council Plan as well as operational, financial and statutory information.

## R

**Regional Cities Victoria**

An organisation representing the ten largest provincial centres in Victoria, comprising the municipalities of Ballarat, Bendigo, Geelong, Horsham, Latrobe City, Mildura, Shepparton, Wangaratta, Warrnambool and Wodonga. The Mayor and Chief Executive Officer of each Council meet regularly, with the primary objective to expand the population of regional Victoria through promoting business and government investment and skilled migration to regional centres.

## S

**Service**

A service identified by Council to be provided to the community during the four year period of the Council Plan.

**Statutory Body**

Statutory bodies (or statutory authorities) are organisations established under an Act of the Victorian Parliament or Australian Parliament for a public purpose.

**Strategic Direction**

Under each strategic objective of the Council Plan are Strategic Directions. Strategic Directions further detail the key areas Council will focus on achieving over the next four years.

**Strategic Resources Plan**

The Strategic Resources Plan is a component of the Latrobe City Council Plan and is prepared in accordance with *section 126 of the Local Government Act*. It identifies the financial and non-financial resources required by Council over the next four years to implement the Council Plan.

**Strategy**

A long term systematic plan of action to achieve defined outcomes in an area of Council activity or responsibility. A series of objectives is set out to meet these goals and specific actions are determined to meet these objectives.

**Structure Plans**

A document that provides direction for planning and development of a defined precinct. Structure plans are subject to community consultation and may be incorporated into the Latrobe Planning Scheme.



**V****Values**

Represent underlying attitudes and beliefs within the organisation that are demonstrated through organisational practices, processes, and behaviours.

**Victorian Auditor General's Office**

A public sector audit organisation providing auditing services to the Victorian Parliament and Victorian public sector agencies and authorities.

**Victorian Freedom of Information Act 1982**

The purpose of this act is to give members of the public rights of access to documents held by the department. The Act gives you the right to request documents about your personal affairs and the activities of the department, and incorrect or misleading information about you be amended or removed.

**Vision**

A statement of direction that defines the aspirations of Latrobe City Council, and serves to guide all organisational objectives.

**W****Ward**

An area of the municipality identified for the purpose of representation. Latrobe City consists of four wards with a total of nine councillors.

*Image: Hazelwood Pondage*



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*Image: Coach Road Moe*



# ANNUAL REPORT Feedback Form

*The 2012/13 Annual Report is a statutory reporting tool that documents the achievements in the delivery of the Council Plan and against our Annual Budget for the year.*

Your feedback will assist us to identify any areas for improvement, and will ensure next year's Annual Report meets your needs.

Please take a few minutes to complete this form and return it to us by 30 January 2014.

**Please return the completed reply paid form to:**

**Manager Corporate Strategy**

Latrobe City Council  
Reply Paid 264  
MORWELL VIC 3840

Please tick your selected answer

**What is your age group?**  Under 25  25-39  40-59  60+ years

**Do you live within the Latrobe City?**  Yes  No

**What is your postcode?**

**Please indicate the main reason for your interest in Latrobe City Council's Annual Report:**

<input type="checkbox"/> Latrobe City resident/ratepayer	<input type="checkbox"/> Government organisation
<input type="checkbox"/> Latrobe City business owner/manager	<input type="checkbox"/> Latrobe City employee
<input type="checkbox"/> Private sector organisation	<input type="checkbox"/> Community group/association
<input type="checkbox"/> Other	

**Please rate the usefulness of each section of Latrobe City Council's 2012/13 Annual Report:**

Please tick your selected answer	Useful	Neutral	Not useful
Performance Snapshot			
Capital Works Highlights			
Events Highlights			
Financial Snapshot			
About Council			
Our Employees			
Capital Works Highlights			
Events Highlights			
Performance Section			
Governance Section			
Financial Section			
Glossary/Index			

Please rate the following aspects of Latrobe City Council's 2012/13 Annual Report overall:

	Good	Adequate	Poor
Please tick your selected answer			
Overall content			
Conciseness			
Informative			
Design and presentation			
Ease of reading			



Do you have any other comments?

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Thank you for taking the time to provide us with your feedback.

*Fold here*

*Please fold along dotted lines and seal with sticky tape or staples. No stamp required.*

*Please fold along dotted lines and seal with sticky tape or staples. No stamp required.*  
*Fold here*

**Delivery Address:**  
PO Box 264  
MORWELL VIC 3840

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Chief Executive Officer  
Latrobe City Council  
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MORWELL VIC 3840





## LATROBE CITY COUNCIL

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## LATROBE CITY COUNCIL SERVICE CENTRES AND LIBRARIES

MORWELL	<b>Corporate Headquarters</b> 141 Commercial Road, Morwell  <b>Morwell Library</b> 63-65 Elgin Street, Morwell
MOE	<b>Moe Service Centre</b> 44 Albert Street, Moe  <b>Moe Library</b> 30 Kirk Street, Moe
TRARALGON	<b>Traralgon Service Centre and Library</b> 34-38 Kay Street, Traralgon
CHURCHILL	<b>Churchill Community Hub</b> 9-11 Philip Parade, Churchill

To obtain this information in languages other than English, or in other formats (including audio, electronic, Braille or large print) please contact Latrobe City Council on 1300 367 700.

*Information within this document was correct at time of print and is subject to change without prior notice.*



# 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 Adoption of Minutes**

This matter is considered to be confidential under Section 89(2) (h) of the Local Government Act 1989, as it deals with a matter which the Council or special committee considers would prejudice the Council or any person.

**18.2 Confidential Items**

This matter is considered to be confidential under Section 89(2) (h) of the Local Government Act 1989, as it deals with a matter which the Council or special committee considers would prejudice the Council or any person.

**18.3 Audit Committee Minutes Report**

This matter is considered to be confidential under Section 89(2) (h) of the Local Government Act 1989, as it deals with a matter which the Council or special committee considers would prejudice the Council or any person.

**18.4 Bad Debts Report - August 2013**

This matter is considered to be confidential under Section 89(2) (b) of the Local Government Act 1989, as it deals with personal hardship of any resident or ratepayer.

**18.5 Proposed Livestock Selling Facility**

This matter is considered to be confidential under Section 89(2) (e) of the Local Government Act 1989, as it deals with proposed

developments.

**18.6 LCC-104 Provision of Kiosk Stock - Latrobe Leisure Facilities**

This matter is considered to be confidential under Section 89(2) (d) of the Local Government Act 1989, as it deals with contractual matters.

**18.7 LCC-113 Provision of Design, Supply, Installation and Commissioning of two Cardboard Compactors**

This matter is considered to be confidential under Section 89(2) (d) of the Local Government Act 1989, as it deals with contractual matters.

**18.8 Sponsorship Application**

This matter is considered to be confidential under Section 89(2) (h) of the Local Government Act 1989, as it deals with a matter which the Council or special committee considers would prejudice the Council or any person.